



**MEMBERS:**

**Councillors :** RZP Zulu (Speaker), NR Mthembu (Mayor), G Govender (Deputy Mayor), DW Ndimande, OL Nhaca, NR Khumalo, JA Vallan, JS Phahla, TV Ntuli, V Govender, ME Ngidi, IP Dube, GJ Van Whye, GZ Mngomezulu, NJ Mpanza, H Mbatha, R Singh, SW Ntuli, ME Zungu, LAE Yingwana, M Suleman, MS Mhlongo, TT Dube, NP Dube, CD Mthembu, VV Shezi, IT Nxumalo, M Ndlela, NR Shezi, TS Ngidi, PB Mabaso, SMR Mfeka, BI Dindi, EB Majola, SL Cele, N Qwabe, MS Sing, MW Hubner, AL Sahadew, TK Gumede, T Colley, V Pillay, D Singh, TP Du Toit, S Naidoo, M Naidoo, AL Nzama, JLT Sibiya, MSCM Motala, N Dasrath, AM Baardman, AK Dawood, DH Mthembu, LI Mthembu, T Nkosi, CM Ntleko and MM Madlala

**Traditional Leaders:** MB Cele, HK Dube, V Mathonsi, AM Zulu, DZ Gumede, IL Magwaza and VN Mthembu.

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## **NOTICE OF COUNCIL MEETING**

### **27 MARCH 2019**

Notice is given that a **MEETING** of the **KWADUKUZA COUNCIL** will be held at the **COUNCIL CHAMBER, KWADUKUZA**, on **WEDNESDAY, 27 MARCH 2019**, **COMMENCING AT 08H00 am.**

### **AGENDA**

1. Tabling of Annual Report 2017/2018 – By His Worship the Mayor Dr NR Mthembu
2. Oversight Report 2017/2018
3. Approval of The KwaDukuza Municipality Draft 2019/2020 Integrated Development Plan
4. Tabling of Draft Budget 2019/2020 MTREF - By His Worship the Mayor Dr NR Mthembu
5. Annual Policy Review

C307	ANNUAL REPORT 2017/2018	
C308	OVERSIGHT REPORT 2017/2018	
C309	APPROVAL OF THE KWADUKUZA MUNICIPALITY DRAFT 2019/2020 INTEGRATED DEVELOPMENT PLAN	
C310	DRAFT BUDGET 2019/2020 MTREF FOR PUBLIC PARTICIPATION	
C311	ANNUAL POLICY REVIEW	
C312	ADJUSTMENT IN ORGANISATIONAL SCORECARD, TOP LAYER OD SDBIP AND DEVELOPMENT OBJECTIVES 2018/2019	

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"REPLACEMENT ITEM  
FOR C310"

**KWADUKUZA MUNICIPALITY**

**FINANCE BUSINESS UNIT**

**File Ref. Draft Budget 2019/2020**

**COUNCIL : 310**

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**SUBJECT: NOTING OF THE DRAFT BUDGET- 2019/2020 MTREF FOR PUBLIC PARTICIPATION**

**PURPOSE:**

To table, for formal consideration by Council the Draft Medium Term Revenue and Expenditure Framework (MTREF) for 2019/2020 financial year as well as the indicative budget for 2020/2021 and 2021/2022 financial years in terms of Chapter 4, Section 16 of the Municipal Finance Management Act, no 56 of 2003.

**ATTACHMENTS:**

- Draft Operational and Capital Budget for the 2019/2020 MTREF

**MAIN SUBMISSION:**

In terms of Chapter 4, section 16 of the Municipal Finance Management Act, no 56 of 2003, the Operational and Capital Budgets for the 2019/2020 financial year and the subsequent two years are presented for the Council's consideration.

The submitted item will address the following salient matters contained within the attached budget submission:

- Operational Budget
- Capital Budget
- Amendments to the IDP
- Rating Structures
- Tariff Of Charges
- Proposed Tariff Structure
- Budget Related Policies
- Measurable Performance Indicators For Revenue
- Consultations
- Budget Recommendations/Resolutions

## OPERATIONAL BUDGET

The detailed operational budget as outlined in the attached budget pack contains the budget information for the upcoming budget year under consideration, i.e. 2019/2020 as well as the subsequent two financial years.

Consistent with the 2018/2019 budget, the 2019/2020 budget focuses on the priorities of Council as outlined in the IDP. There are listed below:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Safe and Secure Environment
- Spatial Analysis
- Environmental Management

The following pertinent issues are highlighted for Councils information:

- In order to negate the effects of various pricing increases the average consumer is faced with, rates and refuse is deemed to increase by 6%. It is submitted that an additional 2% rates increase is considered for ring fencing to address energy losses, predominately by the installation Smart Meters. This effectively means the total increase for rates will be an average of 8%.
- The main driver of service charges is the increases in the electricity tariffs. Electricity tariffs have been budgeted to increase by 7% subject to the consultation with NERSA and community. Bulk Purchases have been budgeted to increase by 8%.
- Employment costs appear to be increasing at a faster rate than the growth rate of the municipal revenue base. There is a danger to the long term financial sustainability of the municipality should this trend continue.
- Depreciation and asset impairment is expected to increase as a result of the completion and commissioning of various completed capital projects.

<b>CAPITAL BUDGET</b>
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- The detailed draft capital budget amounts to R 377 566 092 for the 2019/2020 financial year.
- The table below is indicative of the capital spending per Directorate as per the different funding sources:-

SUMMARY CAPITAL BUDGET 2019/2020					
BUSINESS UNIT	APPROVED BUDGET	GRANTS	PUBLIC CONTRIBUTIONS	COUNCIL FUNDING	LOAN FUNDING
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-
CORPORATE SERVICES	1,800,000	-	-	1,800,000	-
FINANCE	4,050,000	-	-	4,050,000	-
EDP	710,000	-	-	710,000	-
COMMUNITY SERVICES & PUBLIC AMENITIES	68,283,176	-	3,020,206	65,262,970	-
COMMUNITY SAFETY	5,400,000	-	-	5,400,000	-
CIVIL ENGINEERING & HUMAN SETTLEMENTS	147,092,772	51,971,692	4,871,080	90,250,000	-
ELECTRICAL ENGINEERING	150,230,144	21,000,000	5,000,000	64,230,144	60,000,000
YOUTH DEVELOPMENT	-	-	-	-	-
<b>TOTAL</b>	<b>377,566,092</b>	<b>72,971,692</b>	<b>12,891,286</b>	<b>231,703,114</b>	<b>60,000,000</b>

- The capital budget relates to projects for which the Council will be securing the available funding sources either through borrowings, internal capital funds, grants or other sources.
- Capital expenditure funded by means of a grant can only commence if written or gazetted allocations are in place.
- Capital expenditure which is not funded via DORA or Provincial Gazetted allocations can only commence if funds are received.
- There have been numerous requests for additional capital considerations, these will be further deliberated upon via the consultation process. Included in the budget under the Finance Business Unit is various project related to Youth Development. These will be further unpacked and separately reflected for purposes of the final budget.

The amendments to the IDP have been considered in the draft completion of the 2019/2020 MTRF. A separate item dealing specifically with the IDP has been tabled for consideration.

#### AMENDMENTS TO THE INTEGRATED DEVELOPMENT PLAN

#### RATING STRUCTURES

#### Determination of rates

That in terms of the Final Rates Policy 2019/20, the Municipality may levy different rates for different categories of properties. The rating structure for 2019/20 financial year is proposed as follows:

- 0.800 cents in the Rand on the market value in respect of residential properties (including bed and breakfast establishments consisting of three bedrooms or less), and property categories not stated hereunder.
- 0.877 cents in the Rand on the market value in respect of residential properties used for commercial purposes (including bed and breakfast establishments comprising more than 3 bedrooms, apartment and villa establishments, and guesthouses of up to six rooms).
- 0.201 cents in the Rand on the market value in respect of agricultural properties and public service infrastructure properties.
- 2.475 cents in the Rand on the market value in respect of industrial, business and commercial properties, vacant properties, public benefit organisations, properties owned by an organ of state and used for public service purposes, and properties used for worship.
- 2.240 cents in the Rand on the market value in respect of guesthouses of more than 6 rooms.
- An additional 0.36 cents in the Rand on the market value in respect of commercial properties situated within the Special Rating Area as designated by Council
- That, in respect of improved residential properties, in addition to the statutory reduction of R15 000, a further reduction of R85 000 is approved for property values exceeding R130 000. Persons owning improved residential property with a rateable value of R130 000 and below will be not be liable for the payment of rates.
- That improved residential property with a rateable value of R130 000 and below, owned by registered indigent beneficiaries be exempt from the calculation of rates.
- That the first R50 000 of all vacant residential properties owned by registered indigent beneficiaries be exempt from the calculation of rates
- The first 30% of all Public Service Infrastructure (PSI) properties be exempt from the calculation of rates.

## Exemptions, rebates and reductions

That in terms of qualifying criteria set out in the rates policy of the Council, the 2019/20 rates be subject to the following exemptions, rebates and reductions:

- A general rebate, applicable in the 2019/20 financial year only, in respect of all categories of properties, excluding properties in receipt of developers' rebates: 6%

The following shall apply after deduction of the general rebate:

- Pensioners and Disability Grantees rebates:

Applicants under the age of 65 years - 25%

Applicants between 65 and 75 years - 30%

Applicants older than 75 years - 35%

- Agricultural properties: 50%
- Rebate: child headed households: 100%
- Excluded Services Rebate: 15%
- Places of worship: 100%
- Public benefit organizations: 100%
- Land reform beneficiaries: 100%
- State land: 100%
- Commercial Developers incentives:
 

100% rebate	-	Year 1
90% rebate	-	Year 2
80% rebate	-	Year 3
70% rebate	-	Year 4
60% rebate	-	Year 5
No Incentive	-	From year 6 onwards

Please note general rebate not applicable to commercial developers.

Residential Developers incentives, applicable only in respect of existing service level agreements:

100% rebate	-	Year 1
100% rebate	-	Year 2
90% rebate	-	Year 3
80% rebate	-	Year 4
70% rebate	-	Year 5
60% rebate	-	Year 6
50% rebate	-	Year 7
No Incentive	-	From year 8 onwards

Please note general rebate not applicable.

- 90% rebate in respect of the following PSI properties (phasing out of rates):

- national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer; an

Date of operation of determination of rates

That this determination comes into operation on 01 July 2019.

Final date for payment of rates:



- **Annual payment of rates:** That the final date for the payment of annual rates be fixed at 30 September 2019. Interest and administration charges will be raised in terms of Council's Credit Control & Debt Collection Policy and Tariff of Charges. Any capital rates outstanding as at 29 November 2019 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.
- **Monthly rates payments:** That rates may be paid in 11 (eleven) equal instalments with the first instalment payable on or before the last municipal working day of August 2019. Thereafter each monthly instalment must be paid on or before the last working day of each month and provided that interest will accrue at 15.5% per annum in terms of Council's Credit Control & Debt Collection Policy and Tariff of Charges if an instalment is not paid by the last working day of the month. Any capital rates outstanding as at 30 June 2020 will be subject to an administration charge of 10% as stipulated in Council's Credit Control & Debt Collection Policy and Tariff of Charges.
- Council will by special arrangement with individual property owners agree that rates be paid annually. Application to pay rates on an annual basis must be completed by 15 July 2019.

#### **Tariff of charges**

- That the Council approve and adopt the amendments to its Tariff of Charges (noting that the electricity tariffs are pending approval by NERSA) as depicted on the schedules annexed hereto, and that these tariffs come into operation on 1 July 2019.
- That Council note that all tariffs listed in the Tariff of Charges will be subject to the payment of value added tax, except for fines, refundable deposits, and interest charges, and where specifically indicated as inclusive of value added tax.

#### **Proposed tariff structure**

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2019:

- Refuse Removal charges - various as per tariff of charge with a maximum of 6%
- Electricity charges - various as per tariff of charge
- Miscellaneous tariffs - various (see tariff of charges document)

- Budgeted Financial Performance ( Revenue and Expenditure by Municipal Vote) – (Table A3)
- Budgeted Financial Performance ( revenue by Source and Expenditure by Type) – (Table A4)
- Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source ( Table A5).

(ii) That the draft financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:

Budgeted Financial Position (Table A6)  
 Budgeted Cash Flows (Table A7)  
 Asset Management (Table A9)  
 Basic Service Delivery Measurements (Table A10)

## 2. DETERMINATION OF RATES

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  - national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
  - water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer; and
  - and railway lines forming part of a national railway system.

#### 4. Date of operation of determination of rates

That this determination comes into operation on 01 July 2019.

#### 5. Final date for payment of rates:

- **Annual payment of rates:** That the final date for the payment of annual rates be fixed at 30 September 2019. Interest and administration charges will be raised in terms of Council's Credit Control & Debt Collection Policy and Tariff of Charges. Any capital rates outstanding as at 29 November 2019 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.
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## Proposed tariff structure

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2019:

- Refuse Removal charges - various as per tariff of charge with a maximum of 6%
- Electricity charges - various as per tariff of charge
- Miscellaneous tariffs - various (see tariff of charges document)

## 7. BUDGET RELATED POLICIES

THAT Council notes for consideration the draft policies with effect from 01 July 2019, the following Budget Related Policies have been tabled as a separate item ::

- Rates Policy
- Credit Control & Debt Collection Policy
- Indigent Policy

- Tariff Policy
- Investment & Cash Management Policy
- Borrowing Framework Policy and Guidelines
- Supply Chain Management Policy
- Virement Policy
- Budget Policy
- Funding and Reserves Policy
- Assets Management Policy
- Long Term Financial Planning Policy
- Infrastructure, Investments & Capital Projects

The effective date of all revised policies is the 1<sup>st</sup> July 2019.

#### **8. MEASURABLE PERFORMANCE INDICATORS FOR REVENUE**

**THAT** the following measurable performance indicators for revenue collections be set:

- Electricity income ..... minimum collection rate of 90%
- Property rates income ..... minimum collection rate of 90%
- Refuse income ..... minimum collection rate of 90%

**9. THAT** it be noted that property rates are deemed zero rated in the treatment of Value Added Tax (VAT).

**10. THAT** it be noted that in respect of Capital Expenditure Estimates:

In those instances where information has been provided in terms of Section 19(2) (b) of the Municipal Finance Management Act No. 56 of 2003, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget.

Where information in terms of Section 19(2) (b) of the MFMA is not provided, specific project approval is to be sought from Council during the course of the year prior to any spending taking place on these projects during the year. It be noted that should any expenditure be incurred on any of these projects without compliance with Section

- 19(2) of the MFMA such expenditure may be deemed as irregular or unauthorised.
11. **THAT** any savings on the capital budget is to be retained and not transferred to any other vote.
12. **THAT** for projects which have multiple sources of funding, any savings on the project attributable to the outcome of the competitive bidding processes of the council shall be apportioned in the following order of priority:
- Reduction in council contribution towards the project.
  - Reduction of the loan funding portion of the project.
13. **THAT** in terms of the priority in the execution of the capital budget, priority should first be given to all projects that have been rolled over of which are primarily grant funded. Upon completion of all rolled over projects can the Business Units commence with their new projects. The cash flow estimates of the municipality should be noted in this regard.
14. in terms of Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003, it be noted that new projects for the 2019/2020 financial year can only proceed once full business and operating plans indicating efficient, effective and economical use of all assets to be acquired have been tabled and approved before council.
15. **THAT** in pursuance of the above and in terms of section 62(1) (c) of the Municipal Finance Management Act No. 56 of 2003, the Municipal Manager as well as all Executive Directors are to ensure that they develop and maintain efficient, effective and transparent systems of financial, risk management and internal control in terms of projects within their directorates that have been approved for execution.
16. **THAT** it be noted that should any roll-overs of grant funding persist into the 2019/2020 financial year, the respective Executive Director ensure the necessary detail motivations are completed for approval by National Treasury, Provincial Treasury or the relevant transferring officer. This must be done within the timeframes and formats specified by the relevant regulating authority.
- In the event that the National/Provincial Treasury refuses the roll-over of such funds or even a portion of the funds (Section 21 of DORA), then council will have to fund these projects out of internal funding and this will result in the reprioritisation of the approved capital budget for the 2019/2020 to 2021/2022 financial years in order to avoid cash flow and financial problems for the Kwadukuzana Municipality. It is further noted that this motivation should be provided to the Finance directorate by 30 June 2018.



17. THAT in compliance with relevant sections of the Municipal Finance Management Act, Municipal Property Rates Act and the Municipal Systems Act, the budgets, rate and tariff determinations is published in the local press.

**Contact Person** : NJ Mdakane (MM)  
**Tel** : 032 – 437 5014  
: SM Rajcoomar (CFO)  
: 032 – 437 5505

**Author** : A Nunkumar (Director: Budget and Compliance)  
: R D Singh (Director: Revenue)  
: S Cundasamy (Acting Manager: Budget)  
: P Mpofana (Acting Budget Analyst)

Approved/Comments

  
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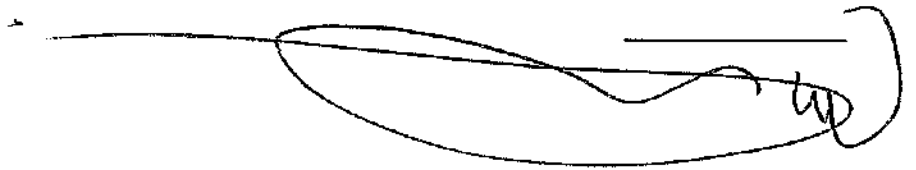
S M Rajcoomar

Chief Financial Officer

(032) 437 5505

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Authorised/Comments

A large, stylized handwritten signature in black ink, written over a horizontal line.

NJ Mdakane

Municipal Manager

Date:

**KWADUKUZA MUNICIPALITY**

**2019/2020**

**DRAFT MID-TERM REVENUE AND EXPENDITURE FRAMEWORK**

## ABBREVIATIONS &amp; ACRONYMS

AFS	Annual Financial Statements
AMC	Asset Management Committee
BSC	Budget Steering Committee
BTO	Budget & Treasury Office (Finance Business Unit)
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DORB	Division of Revenue Bill
COGTA	Co-operative Governance & Traditional Affairs
EXCO	Executive Committee
FMG	Financial Management Grant
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HIV/AIDS	Human Immune Deficiency Virus / Acquired Immune Deficiency Syndrome
IBTs	Inclining Block Tariff Structures
IDP	Integrated Development Plan
IT	Information Technology
KDM	KwaDukuza Municipality
kWh	Kilo Watt Hours
MANCO	Management Committee
MFMA	Municipal Finance Management Act 2003 (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager (Accounting Officer)
MPCCs	Multi-Purpose Community Centres
MPRA	Municipal Property Rates Act 2004 (Act No. 6 of 2004)
MSA	Municipal Systems Act 2000 (Act No. 32 of 2000)
MSIG	Municipal Systems Improvement Grant
MTRF	Medium Term Revenue & Expenditure Forecast
MV	Market Value
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnerships
PSI	Public Service Infrastructure
PT	Provincial Treasury
SALGA	South African Local Government Association
SDBIP	Service Delivery & Budget Implementation Plan
VAT	Value-Added Tax

**CONTENTS****PART 1 – ANNUAL BUDGET**

- 1.1 MAYORS REPORT
- 1.2 RESOLUTIONS
- 1.3 EXECUTIVE SUMMARY
- 1.4 DRAFT BUDGET TABLES

**PART 2 – SUPPORTING DOCUMENTATION**

- 2.1 OVERVIEW OF ANNUAL BUDGET PROCESS
- 2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN
- 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS
- 2.4 OVERVIEW OF BUDGET RELATED POLICIES (Policies included as Annexures A – M)
- 2.5 OVERVIEW OF BUDGET ASSUMPTIONS
- 2.6 OVERVIEW OF BUDGET FUNDING
- 2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES
- 2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY
- 2.9 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS
- 2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW
- 2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL BUSINESS UNITS
  - 2.11.1 DETAILED OPERATING BUDGET
  - 2.11.2 DEPARTMENTAL SDBIPs
- 2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS
- 2.13 CAPITAL EXPENDITURE DETAILS
- 2.14 LEGISLATION COMPLIANCE STATUS

2.15 OTHER SUPPORTING DOCUMENTS

2.16 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

## 1.1 MAYORS REPORT

INSERT MAYORS REPORT

## 1.2 RESOLUTIONS



### 3. DRAFT ESTIMATES OF INCOME & EXPENDITURE

**THAT** in terms of Section 16(1) and (2) of the Municipal Finance Management Act, 56 of 2003:-

- (ii) The Draft Annual Budget of the Municipality for the Financial year 2019/2020; and Indicative allocations for the two projected outer years 2020/2021 and 2021/2022; and the multi – year and single year capital appropriations are approved as set-out in **Sections 1.4, 2.11 and 2.13.**

Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) – **(Table A2)**

Budgeted Financial Performance ( Revenue and Expenditure by Municipal Vote) – **(Table A3)**

Budgeted Financial Performance ( revenue by Source and Expenditure by Type) – **(Table A4)**

Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source ( **Table A5**).

- (ii) That the draft financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:

Budgeted Financial Position **(Table A6)**

Budgeted Cash Flows **(Table A7)**

Asset Management **(Table A9)**

Basic Service Delivery Measurements **(Table A10)**

### 4. DETERMINATION OF RATES

In terms of the Draft Rates Policy 2019/20, the Municipality may levy different rates for different categories of properties. The rating structure for 2019/20 financial year is proposed as follows:

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- A general rebate, applicable in the 2019/20 financial year only, in respect of all categories of properties, excluding properties in receipt of developers' rebates: 6%

The following shall apply after deduction of the general rebate:

- Pensioners and Disability Grantees rebates:
  - Applicants under the age of 65 years - 25%
  - Applicants between 65 and 75 years - 30%
  - Applicants older than 75 years - 35%
  
- Agricultural properties: 50%
  
- Rebate: child headed households: 100%
  - Excluded Services Rebate: 15%
  
  - Places of worship: 100%
  
  - Public benefit organizations: 100%
  
  - Land reform beneficiaries: 100%
  
  - State land: 100%
  
  - Commercial Developers incentives:

100% rebate	-	Year 1
90% rebate	-	Year 2
80% rebate	-	Year 3
70% rebate	-	Year 4
60% rebate	-	Year 5
No Incentive	-	From year 6 onwards

Please note general rebate not applicable to commercial developers.

Residential Developers incentives, applicable only in respect of existing service level agreements:

100% rebate	-	Year 1
100% rebate	-	Year 2
90% rebate	-	Year 3
80% rebate	-	Year 4
70% rebate	-	Year 5
60% rebate	-	Year 6
50% rebate	-	Year 7
No incentive	-	From year 8 onwards

Please note general rebate not applicable.

- 90% rebate in respect of the following PSI properties (phasing out of rates):

- national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer, an
- and railway lines forming part of a national railway system.

#### 4. Date of operation of determination of rates

That this determination comes into operation on 01 July 2019.

#### 5. Final date for payment of rates:

- **Annual payment of rates:** That the final date for the payment of annual rates be fixed at 30 September 2019. Interest and administration charges will be raised in terms of Council's Credit Control & Debt Collection Policy and Tariff of Charges. Any capital rates outstanding as at 29 November 2019 will be subject to an

administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- **Monthly rates payments:** That rates may be paid in 11 (eleven) equal instalments with the first instalment payable on or before the last municipal working day of August 2019. Thereafter each monthly instalment must be paid on or before the last working day of each month and provided that interest will accrue at 15.5% per annum in terms of Council's Credit Control & Debt Collection Policy and Tariff of Charges if an instalment is not paid by the last working day of the month. Any capital rates outstanding as at 30 June 2020 will be subject to an administration charge of 10% as stipulated in Council's Credit Control & Debt Collection Policy and Tariff of Charges.
- Council will by special arrangement with individual property owners agree that rates be paid annually. Application to pay rates on an annual basis must be completed by 15 July 2019.

#### 6. Tariff of charges

- That the Council approve for consultation the amendments to its Tariff of Charges (noting that the electricity tariffs are pending approval by NERSA) as depicted on the schedules annexed hereto, and that these tariffs come into operation on 1 July 2019.
- That Council note that all tariffs listed in the Tariff of Charges will be subject to the payment of value added tax, except for fines, refundable deposits, and interest charges, and where specifically indicated as inclusive of value added tax.

#### Proposed tariff structure

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2019:

- Refuse Removal charges - various as per tariff of charge with a maximum of 6%
- Electricity charges - various as per tariff of charge
- Miscellaneous tariffs - various (see tariff of charges document)

## 7. BUDGET RELATED POLICIES

THAT Council notes for consideration the draft policies with effect from 01 July 2019, the following Budget Related Policies have been tabled as a separate item ::

- Rates Policy

- Credit Control & Debt Collection Policy

- Indigent Policy

- Tariff Policy

- Investment & Cash Management Policy

- Borrowing Framework Policy and Guidelines

- Supply Chain Management Policy

- Virement Policy

- Budget Policy

- Funding and Reserves Policy

- Assets Management Policy

- Long Term Financial Planning Policy

- Infrastructure, Investments & Capital Projects

The effective date of all revised policies is the 1<sup>st</sup> July 2019.

## 8. MEASURABLE PERFORMANCE INDICATORS FOR REVENUE

THAT the following measurable performance indicators for revenue collections be set:

- Electricity income ..... minimum collection rate of 90%
- Property rates income ..... minimum collection rate of 90%
- Refuse income ..... minimum collection rate of 90%

9. THAT it be noted that property rates are deemed zero rated in the treatment of Value Added Tax (VAT).

**10. THAT it be noted that in respect of Capital Expenditure Estimates:**

In those instances where information has been provided in terms of Section 19(2) (b) of the Municipal Finance Management Act No. 56 of 2003, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget.

Where information in terms of Section 19(2) (b) of the MFMA is not provided, specific project approval is to be sought from Council during the course of the year prior to any spending taking place on these projects during the year. It be noted that should any expenditure be incurred on any of these projects without compliance with Section 19(2) of the MFMA such expenditure may be deemed as irregular or unauthorised.

**11. THAT any savings on the capital budget is to be retained and not transferred to any other vote.**

**12. THAT for projects which have multiple sources of funding, any savings on the project attributable to the outcome of the competitive bidding processes of the council shall be apportioned in the following order of priority:**

- Reduction in council contribution towards the project.
- Reduction of the loan funding portion of the project.

**13. THAT in terms of the priority in the execution of the capital budget, priority should first be given to all projects that have been rolled over of which are primarily grant funded. Upon completion of all rolled over projects can the Business Units commence with their new projects. The cash flow estimates of the municipality should be noted in this regard.**

**14. In terms of Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003, it be noted that new projects for the 2019/2020 financial year can only proceed once full business and operating plans indicating efficient, effective and economical use of all assets to be acquired have been tabled and approved before council.**

**15. THAT in pursuance of the above and in terms of section 62(1) (c) of the Municipal Finance Management Act No. 56 of 2003, the Municipal Manager as well as all Executive Directors are to ensure that they develop and maintain efficient, effective and transparent systems of financial, risk management and internal control in terms of projects within their directorates that have been approved for execution.**

**16. THAT it be noted that should any roll-overs of grant funding persist into the 2019/2020 financial year , the respective Executive Director ensure the necessary detail**

motivations are completed for approval by National Treasury, Provincial Treasury or the relevant transferring officer. This must be done within the timeframes and formats specified by the relevant regulating authority.

In the event that the National/Provincial Treasury refuses the roll-over of such funds or even a portion of the funds (Section 21 of DORA), then council will have to fund these projects out of internal funding and this will result in the reprioritisation of the approved capital budget for the 2019/2020 to 2021/2022 financial years in order to avoid cash flow and financial problems for the KwaDukuza Municipality. It is further noted that this motivation should be provided to the Finance directorate by 30 June 2018.

17. **THAT** in compliance with relevant sections of the Municipal Finance Management Act, Municipal Property Rates Act and the Municipal Systems Act, the budgets, rate and tariff determinations is published in the local press.



## 1.3 EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

### BACKGROUND

The MTRF outlines KDM's revenue and expenditure plans for the next 3 years, specifically highlighting sources of funds and how the funds will be utilised in order to attain service delivery goals.

The MM, the CFO, the BSC and the BTO assist the Mayor in developing and implementing the budget process. KDM has no municipal entities.

- **KDM's MTRF complies with all legal requirements:**

1. The Constitution 1996 (Act No. 108 of 1996)
2. The Local Government: Transition Act 1993 (Act No. 209 of 1993)
3. The MSA
4. The MFMA
5. The Municipal Structures Act 1998 (Act No. 117 of 1998)
6. Municipal Budget & Reporting Regulations issued by NT
7. MFMA Circulars published by NT
8. Division of Revenue Act

- **The MTRF is influenced by the following elements:**

1. Producing a balanced, credible and funded budget taking into account realistically anticipated revenues
2. Delivering quality services on the ground
3. Cost increases
4. Tariff increases
5. Debt recovery
6. Asset management
7. Borrowing levels

## **DRAFT MTREF HIGHLIGHTS**

The MTREF 2019/2020 – 2021/2022 is covered comprehensively in Tables A1 to A10 and Supporting Tables SA1 to SA37.

### **Consolidated Overview of the 2019/2020 MTREF**

Description	2019/2020 '000	2020/2021 '000	2021/2022 '000	TOTAL MTREF '000
Total operating revenue	1 836 163	1 949 953	2 064 359	5 850 475
Total operating expenditure	1 832 105	1 945 631	2 059 754	5 837 490
(Surplus)/ deficit for the year	(4 058)	(4 322)	(4 605)	(12 985)
Utilised for capital funding	67 972	69 022	75 388	212 382
Net Surplus / Deficit	72 030	73 345	79 993	225 368
Total capital expenditure	R 377,966,092	R 260,212,496	R 169,180,374	R 807,358,962

Total operating revenue is expected to grow by 16% for the 2019/2020 financial year when compared to the 2018/2019 Budget. For the two outer years, operational revenue will increase by R113 790 000 and R114 406 000 respectively.

Operational expenditure has grown to R1 832 105 000 in the 2019/2020 budget. For the 2020/2021 and 2021/2022 year, operational expenditure will increase by an estimated R113 526 000 and R114 123 000 for each of the respective outer years of the MTREF.

The total capital quantum is R 807 358 962 over the MTREF.

## **DRAFT OPERATING BUDGET:**

### **1. OPERATING REVENUE FRAMEWORK**

The projected revenue is determined, inter alia, by setting tariffs which are not only affordable to the consumers, but also deemed to be fair and realistic.

The following table is a high-level summary of the 2019/2020 draft Revenue (Classified per main revenue source).

Significant components of the OPERATING REVENUE budget are as follows:

- Capital Transfers

In keeping with the prescribed formats issued by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statements. The inclusion of capital transfers would distort the calculation of the operating surplus/deficit.

- **Property Rates**

The significant increase in property rates is largely due to the following factors:-

1. Additional newly registered property rated from date of transfer.
2. Building completions.
3. Objection outcomes e.g. a few commercial properties increase in valuation.
4. Phasing out of developers' incentives.

- **Service Charges (Electricity and Refuse)**

Description	Rel	1	Revenue By Source										R (thousand)	Total Revenue (excluding capital transfers and contributions)										
			Audited Outcome	2016/17	2017/18	Audited Outcome	Adjusted Outcome	Full Year	Pre-audit outcome	Budget Year 2019/20	Budget Year t+1 2020/21	Budget Year t+2 2021/22												
Revenue By Source	2	2	312 498	346 802	392 441	430 791	451 291	451 291	491 726	519 629	549 966	591 530	-	-	971 530	68 250	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	622 038	695 210	732 627	751 134	770 410	770 410	870 312	919 567	971 530	649 966	-	-	971 530	68 250	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2	2	57 371	48 403	57 437	63 607	63 607	63 607	62 847	66 529	68 250	68 250	-	-	68 250	68 250	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	1 017	997	1 498	1 161	1 630	1 630	1 686	1 758	1 833	1 833	-	-	1 833	1 833	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	30 410	32 612	31 077	23 006	30 025	30 025	32 139	34 395	36 752	36 752	-	-	36 752	36 752	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	5 564	5 573	5 231	7 200	6 830	6 830	7 566	7 947	8 360	8 360	-	-	8 360	8 360	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	23 468	31 577	31 011	47 019	38 319	38 319	40 020	41 079	41 142	41 142	-	-	41 142	41 142	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	8 598	93	200	205	205	205	217	230	243	243	-	-	243	243	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	-	8 744	10 935	9 688	10 438	10 438	11 168	11 816	12 501	12 501	-	-	12 501	12 501	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	121 813	130 511	151 173	166 667	164 451	164 451	186 005	207 030	225 230	225 230	-	-	225 230	225 230	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
	2	2	54 928	67 946	63 026	34 836	38 719	38 719	38 719	44 074	48 563	48 563	-	-	48 563	48 563	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563
2	2	50	4 908									-	-			1 833	36 752	8 360	41 142	243	12 501	225 230	148 563	
2	2	1 237 774	1 373 376	1 476 896	1 525 513	1 575 946	1 575 946	1 636 163	1 694 953	1 764 339	1 764 339	-	-	1 764 339	1 764 339	1 833	36 752	8 360	41 142	243	12 501	225 230	148 563	

Revenue generated from service charges for 2019/2020 financial year amounts to R 933 Million which indicates 53% of revenue is generated from service charges revenue. Council has embarked on various processes which will enforce better revenue collections on service charges viz.

1. Revenue Enhancement Project
2. Development of an Energy Losses Task Team which will assist in the reduction of energy losses.
3. A contractor has been appointed for the disconnection/reconnection of electricity
4. Replacement of maximum demand meters

• **Transfers Recognised**

The following table reflects the transfer recognized – operational revenue:-

KZN292 KwaDukuza - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		115,557	119,655	135,358	153,749	153,091	153,091	172,849	189,533	210,189
Local Government Equitable Share		105,352	116,642	131,541	147,876	147,876	147,876	167,408	185,716	208,232
Municipal Systems Improvement		450	-	-	-	-	-	-	-	-
Finance Management		1,400	1,725	1,800	1,800	1,800	1,800	1,800	1,800	1,800
EPWP Incentive		1,418	1,288	1,565	1,540	1,540	1,540	1,729	-	-
MKG Funded PMU Costs		836	-	452	2,533	1,875	1,875	1,912	2,017	2,167
MKG Transfer To Ikembe		6,100	-	-	-	-	-	-	-	-
Provincial Government:		7,671	7,628	7,859	12,918	11,360	11,360	13,146	17,497	15,031
Provincialisation of Libraries		2,894	2,929	3,045	5,028	5,028	5,028	5,279	5,543	5,848
Museum Subsidy		168	175	183	192	192	192	3,202	5,214	2,225
Community Library Service Grant		510	537	564	591	591	591	633	678	726
Municipal Assistance Programme		-	-	-	-	-	-	-	-	-
Housing Accreditation		4,101	3,987	4,059	6,049	5,499	5,499	4,032	6,062	6,232
Maintenance Grant-Sport Facilities		-	-	-	58	50	50	-	-	-
Spatial Development Framework Support		-	-	-	1,000	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
<b>Total Operating Transfers and Grants</b>	5	123,228	127,283	143,208	166,667	164,451	164,451	185,995	207,030	225,229

The following table is the summary of other revenue over the MTREF

KZN292 KwaDukuza - Supporting Table SA1 Supporting detail to Budgeted Financial Performance

Description	Rel	2015/16											2016/17											2017/18											Current Year 2018/19											2019/20 Medium Term Revenue & Expenditure Framework																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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Fees											-											-											800											800											800											800											800											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001											1,001						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The Municipality's expenditure framework for the 2019/2020 MTRF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the backlog eradication plan

The following table indicative of the 2019/2020 draft operating expenditure by standard classification item:-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
<b>Expenditure By Type</b>											
Employee related costs	2	282 807	320 464	343 090	376 583	386 928	386 928	386 928	454 252	483 611	516 584
Remuneration of councillors		18 544	18 910	21 812	23 182	23 182	23 182	23 182	24 043	25 967	29 107
Debt impairment	3	37 603	16 275	23 185	45 529	8 134	8 134	8 134	8 662	9 268	9 921
Depreciation & asset impairment	2	69 596	63 434	70 332	85 000	86 000	86 000	86 000	90 644	95 629	100 889
Finance charges		24 880	24 515	23 103	23 786	23 786	23 786	23 786	28 713	28 207	28 207
Bulk purchases	2	488 651	552 551	567 223	633 019	623 662	623 662	623 662	670 713	711 606	739 615
Other materials	8	63 326	68 820		38 437	19 739	19 739	19 739	21 004	22 236	23 544
Contracted services		30 463	29 171	125 454	150 760	180 378	180 378	180 378	213 649	229 027	243 888
Transfers and subsidies		6 100	26 504	-	300	19 816	19 816	19 816	10 445	8 044	8 816
Other expenditure	4, 5	179 839	164 537	146 628	148 170	203 930	203 930	203 930	309 980	332 037	359 183
Loss on disposal of PPE		10 709	9 062	2 847							
Total Expenditure		1 212 518	1 296 244	1 323 674	1 524 768	1 575 557	1 575 557	1 575 557	1 832 105	1 945 631	2 059 754

**Significant components of the OPERATING BUDGET are as follows:**

- Bulk Purchases amount to approx. R670,7m. This figure takes into consideration the Eskom increase in tariffs. Further assumptions are noted in Section 2.5
- Employee's related cost and council remuneration account for 25% (R454 252 179) of the budget (R1 823 104 645).
- Other expenditure amounts to R213, 6m.

The following table is the breakdown of other expenditure costs over the MTRF:-

KZN292 KwaZulu - Supporting Table S4: Supporting detail to 'Budgeted Financial Performance'

Description	Ref	R thousand						Other Expenditure By Type		2018/20 Medium Term Revenue & Expenditure Framework	
		Audited Outcome	Audited Outcome	Adjusted Outcome	Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cobson costs		4453		5,700	8,500	69,624	8,500				
Contributions to other providers				22,609	69,624				72,447	76,465	83,708
Consultancies				-	-	-	-	-			
Audits		3,421	6,167	5,837	5,837	5,837	5,837	6,365	6,946	7,586	
General expenses	3	17,564	164,537	3,131	15,612	24,569	15,612	27,355	29,157		
Expenditure: Operational Cost: Indigent Relief		-	-	20,283	24,013	24,569	24,569	24,569	27,288	30,871	35,102
Expenditure: Operational Cost: Achievements and Awards		-	-	12,338	11,226	4,645	4,645	4,970	4,970	5,261	5,570
Expenditure: Operational Cost: Management Fee		-	-	10,763	10,900	10,560	10,560	12,076	12,076	12,063	13,070
Expenditure: Operational Cost: Advertising, Publicity and Marketing: Copies		-	-	9,195	7,333	9,361	9,361	9,361	10,123	11,568	13,554
Expenditure: Operational Cost: Medical Services		-	-	4,176	4,751	4,055	4,055	4,925	4,925	5,235	5,580
Expenditure: Operational Cost: Uniform and Protective Clothing		-	-	4,178	4,551	5,208	5,208	5,824	5,824	6,210	6,710
Expenditure: Operational Cost: External Computer Service: Software Licen		-	-	4,023	4,403	3,827	3,827	4,266	4,266	4,794	5,264
Expenditure: Operational Cost: Professional Bodies Membership and Sub		-	-	3,833	4,219	4,219	4,219	4,460	4,460	4,718	4,980
Expenditure: Operational Cost: Bank Charges: Faculty and Card Fees: Ban		-	-	3,445	4,176	4,004	4,176	4,422	4,422	4,679	4,950
Expenditure: Operational Cost: Remuneration to Ward Committees		-	-	3,644	3,614	4,004	4,004	4,472	4,472	5,006	5,535
Expenditure: Operational Cost: Registration Fees: Seminars: Conferences		-	-	3,258	3,579	3,464	3,464	3,788	3,788	3,926	4,162
Expenditure: Operational Cost: Printing Publications and Books		-	-	2,983	3,365	2,882	2,882	3,122	3,122	3,333	3,567
Expenditure: Operational Cost: Workers' Compensation Fund		-	-	2,552	2,651	2,688	2,688	2,688	2,688	2,887	3,136
Expenditure: Operational Cost: Skills Development Fund Levy		-	-	3,078	2,618	3,409	3,409	3,126	3,126	3,308	3,500
Expenditure: Operating Leases: Community Assets		-	-	2,781	2,426	2,261	2,261	2,406	2,406	2,556	2,717
Expenditure: Operational Cost: External Computer Service: Data Lines		-	-	63	2,273	901	901	901	954	1,009	1,066
Expenditure: Operational Cost: Environment Sector Management		-	-	1,800	1,800	-	-	-	-	-	-
Expenditure: Operational Cost: External Computer Service: Spreadsheet Comp		-	-	1,800	900	900	900	900	953	1,008	1,067
Expenditure: Operational Cost: Travel and Subsistence: Domestic: Accom		-	-	1,701	1,745	1,745	1,745	1,864	1,864	2,012	2,264
Expenditure: Operational Cost: Communication: Telephone Fax: Telegraph		-	-	3,639	1,376	3,242	3,242	3,435	3,435	3,636	3,849
Expenditure: Operational Cost: Communication: Postage/Stamp/air-mailing		-	-	978	971	817	817	817	890	1,037	1,097
Total Other Expenditure	1	119,839	164,537	163,481	148,170	203,930	203,930	203,930	219,388	235,473	252,232



### Further points to Note:-

- Provision of Free Basic Services

The municipality has a responsibility in ensuring that indigent households are provided with the basic municipal services by subsidizing the cost of services payable by indigent consumers. Indigent Support is financed from the Equitable Share grant funding.

### CAPITAL EXPENDITURE OF THE MTREF

The MFMA Local Government Capital Asset Management Guideline 2008 calls for the establishment of an Asset Management Committee (AMC). The AMC oversees asset management project outcomes; set asset management timetables and approve all asset management progress reports. This committee meets on a regular basis.

The Capital Budget focuses on the IDP objectives and KDM's infrastructure needs. Due to limited resources, KDM has to prioritise its spending.

The major aspects of the capital budget are listed below :

- Increased focus on Civil and Electrical Infrastructure.
- Increased focus on cemeteries development.

Asset Management requires Council to allocate 40% of the capital budget to renewable of existing assets. Since KwaDukuza Municipality is still growing/developing, with most of rural wards still needs new infrastructure like roads, sport fields, community halls and creches. It is because of these reasons that KwaDukuza Municipality only has 28% of the Capital Budget on renewal of existing assets, while 72% is allocated towards new assets. We believe in the long run 40% of capital budget will be achieved once the challenge of building new infrastructure to needy communities is addressed in line with IDP priorities.

The following is indicative of the draft Capital Expenditure per source of funding for 2019/20

SUMMARY CAPITAL BUDGET 2019 / 2020					
BUSINESS UNIT	APPROVED BUDGET	GRANTS	PUBLIC CONTRIBUTIONS	COUNCIL FUNDING	LOAN FUNDING
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-
CORPORATE SERVICES	1,800,000	-	-	1,800,000	-
FINANCE	4,050,000	-	-	4,050,000	-
EDP	710,000	-	-	710,000	-
COMMUNITY SERVICES & PUBLIC AMENITIES	68,283,176	-	3,020,206	65,262,970	-
COMMUNITY SAFETY	5,400,000	-	-	5,400,000	-
CIVIL ENGINEERING & HUMAN SETTLEMENTS	147,092,772	51,971,692	4,871,080	90,250,000	-
ELECTRICAL ENGINEERING	150,230,144	21,000,000	5,000,000	64,230,144	60,000,000
YOUTH DEVELOPMENT	-	-	-	-	-
<b>TOTAL</b>	<b>377,566,092</b>	<b>72,971,692</b>	<b>12,891,286</b>	<b>231,703,114</b>	<b>60,000,000</b>

## KEY ASSUMPTIONS

- DORA

All National and Provincial Grant allocations have been taken into account.

- Inflation

The changes in tariffs have been considered in accordance with the Rates and Tariff policy of the municipality and comply with Section 74 of the Municipal systems Act.

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2019:

- Property Rates increase of 8%
- Refuse Removal charges – various as per tariff of charges with a maximum of 6%
- Electricity charges – various as per tariff of charges
- Miscellaneous tariffs – various (see tariff of charges document)

The inflation rate based on existing expenditure is used for calculating salary/wage increases for all employees, including Section 57 employees. Outer years have been budgeted for at inflation. This is governed via a three year agreements with the SALGBC. This will continue to be revised with on-going consultation between the payroll office and the respective business units. Any amendments will be recognised and accounted for during the final budget.

Refuse removal tariffs have been increased on average 6 % in order to ensure the sustainability and viability of the service. Preceding years has indicated that the budgeting was geared towards the operating requirements of the section, thereby not allowing sufficient funds to ensure that the capital assets and maintained, replaced and extended. This increase will allow the basic services to community to continue without risk of assets not working as intended or meeting demand.

For specific budget assumptions used in the MTRRF, please refer to the Section 2.5

## MUNICIPAL ENTITIES

The municipality does not have any municipal entities. Therefore, any associated documentation has not been tabled in this regard.

## PAST PERFORMANCE HIGHLIGHTS

KDM received unqualified audit reports for the previous thirteen consecutive years.

## **ALIGNMENT WITH GOVERNMENT PRIORITIES**

The following priorities have been incorporated into the MTREF 2019/2020 to 2021/2022:

- **National Priorities**

The President's 2019 State of the Nation Address indicated that local government has an obligation to:

1. Job Creation
2. Better Education
3. Improved Health Services
4. Rural Development & Land Reform
5. Spending of public funds wisely and reducing of wasteful expenditure that forms part of cost cutting measures
6. Monitoring of the Back to Basics Local Government Implementation Plan.

The National Budget Review 2019 state that local government must:

1. Enforce financial discipline; on budget spending and sound cash management
2. Ensure enhanced service delivery and communities receive value for money
3. Provide decent and sustainable jobs
4. Ensure further economic growth
5. Develop infrastructure

- **Provincial Priorities**

The MTREF and IDP are aligned with the KZN Provincial Growth & Development Strategy. This strategy involves:

1. Strengthening and building government to facilitate sustainable development, public participation in decision making, implement performance driven transformation and co-operative governance
2. Improve and expand basic service delivery for a better quality of life for all
3. Implement economic programmes to raise investments, increase exports and capitalise on provincial resources, strengths and synergies
4. Create programmes to increase employment opportunities, access to finance, human capacity and skills development, that also addresses the challenges of the second economy
5. Reduce poverty and increase vulnerable groups' access to social security nets and services
6. Comprehensively address the spread of HIV/AIDS pandemic and the associated economic and social impacts
7. To manage, preserve and enhance the natural environment and comprehensively address an environmental management system for sustainable development.

• District Priorities

The MTRF and IDP have taken the strategic goals of the Ilembe IDP into consideration, which include:

1. Promoting investment and development
2. Introducing incentives that attract development initiatives
3. Establishing and promoting PPPs
4. Preserving and protecting the natural environment
5. Promoting cultural, community based tourism and integrated tourism development
6. Establishing co-operatives that maximise economic opportunities in the agricultural sector

The above key assumptions are further explained under Section 2.5

#### DEBT RECOVERY AND CREDIT CONTROL

The municipality budgets for bad debt in accordance with the prescripts of GRAP. This is to impair the asset so as to reflect the collection probability. This effectively ensures the debtors as indicated on the balance sheet is not overstated. Bad Debt is however only written off when all prospective debt recovery mechanisms are exhausted and possibility of recovery is remote.

There may therefore be a timing difference between the impairment of the debt (provision for bad debt) and the actual "write-off" of this debt. Any bad debts written off are done so directly against the gross value of the debt and not the impairment recognised. This reduction of debtors is has a resultant effect of reducing the subsequent impairment calculated. The net effect of this movement is recognised in the Statement of Financial Performance.

#### DEBT COLLECTION RATES

The municipality will undertake to review of the applicability and accuracy of the collection percentages within the forthcoming consultation period. Should there be any amendments to these percentages, same will be adjusted in the final budget documents. Council has embarked on various processes within the current year which will enforce better revenue collections on service charges viz.

1. Revenue Enhancement Project
2. Continuation of the Revenue and Debt Steering Committee to assist in the reduction of Energy Losses.
3. Replacement of maximum demand meters

#### DEBTORS:

The municipality has applied a 90% collection rate. During the next two months we will confirm and validate the accuracy of the collection percentage applied. It should however be noted that the municipality has implemented various mechanisms to enhance the revenue

collection processes. Amongst these are the revenue enhancement project, the monitoring of the Revenue and Debt Steering Committee, and the replacement of maximum demand meters.

### **COST CUTTING MECHANISMS**

The municipality has in the prior year implemented cost cutting and financial austerity measures. These principles are aligned to Department of Co-Operative Governance's Back to Basics programme.

This was implemented in the prior year and continues to be embedded in the budget principles.

### **CASH FLOW MANAGEMENT**

One of the significant funding sources of capital expenditure in the prior years was internal reserves. Whilst this allowed accelerated service delivery, the internal cash reserves did not have the ability to recover.

Recognising that this may in the long term impact the financial sustainability of KDM, Council has proactively adopted the funding a reserves policy which stipulates the minimum funding requirements which Council must strive to achieve in the medium to long term.

Given that numerous service delivery imperatives remain, a phased in approach will be implemented to ensure a balance is achieved between service delivery and financial prudence.

This process has commenced two years ago year with a four year progressive plan to ensure capital funding is achieved via operating surpluses so as to decrease our reliance on historic reserves.

This will be closely monitored during the MTREF and adjusted where required.

## 1.4 DRAFT BUDGET TABLES

**DRAFT BUDGET TABLES**

In terms of the Municipal Budget and Reporting Regulations, the 10 primary budget tables, as attached, reflects the 2019/2020 budget and MTREF to be supported by Council and made public for comment.

<b>Budget Table</b>	<b>Synopsis of table</b>
Table A1	High level summary of the municipality's budget, including operating, capital, financial position, cash flow and MFMA funding compliance.
Table A2	Indicative of the budgeted financial performance with regards to revenue and expenditure per standard classification.
Table A3	Indicative of the budgeted financial performance with regards to revenue and expenditure and operating surplus or deficit per municipal vote.
Table A4	Indicative of the budgeted financial performance with regards to revenue by source and expenditure by type.
Table A5	Indicative of the municipality's capital projects in relation to the capital expenditure by municipal vote, capital expenditure by classification, and funding sources. Also included is information pertaining to capital transfers from National and Provincial government. KDM has adopted a multi-year capital budget appropriation.
Table A6	Indicative of the financial position of the municipality.
Table A7	Indicative of the cash and cash equivalent of the municipality over the draft MTREF.
Table A8	Indicative of the Cash Backed Reserves/ Accumulated Surplus. Represents an evaluation of the funding levels by forecasting cash and investments at year end and reconciling the available funding to the liabilities in existence. This is in line with MFMA legislation.
Table A9	Represents the municipal capital allocations to the funding of new assets and renewal of existing assets. This also includes spending on repairs and maintenance.
Table A10	Indicative of the service delivery levels, including backlogs, for each of the main services.

KZN292 KwaDukuza - Table A1 Budget Summary

Description	2018/20 Medium Term Revenue & Expenditure Framework											R thousands																																																																																																																																																																																																																																																																																																																																																																																																																																																														
	2018/17			2017/16			2016/15			2015/14																																																																																																																																																																																																																																																																																																																																																																																																																																																																
Financial Performance	Audited	Audited	Audited	Audited	Budget	Forecast	Pre-audit outcome	Budget Year	Budget Year	Budget Year	Budget Year	Total Revenue (excluding capital transfers and contributions)	Employee costs	Remuneration of councillors	Depreciation & asset impairment	Finance charges	Materials and bulk purchases	Transfers and grants	Other expenditure	Total expenditure	Surplus/(Deficit)	Transfers and subsidies - capital (monetary allocations)	Contributions recognised - capital & contributed assets	Surplus/(Deficit) after capital transfers & contributions	Share of surplus (deficit) of associate	Surplus/(Deficit) for the year	Capital expenditure & funds sources	Transfers recognised - capital	Borrowing	Internally generated funds	Total sources of capital funds	Financial position	Total current assets	Total non current assets	1,838,776	2,048,788	2,143,893	2,365,716	2,294,184	2,294,184	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,482	692,48



KZN292 KwaDukuza - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue - Functional</b>	<b>1</b>									
<b>Governance and administration</b>		522,574	517,198	565,912	575,959	562,877	562,877	633,018	670,392	711,534
Executive and council		159,046	117,325	78,001	92,594	46,048	46,048	53,486	56,287	62,473
Finance and administration		363,528	399,873	487,910	483,065	516,032	516,032	578,259	612,717	647,545
Internal audit		-	-	-	-	697	697	1,273	1,389	1,517
<b>Community and public safety</b>		47,182	48,719	58,163	71,348	95,759	95,759	110,551	120,323	125,960
Community and social services		6,062	6,557	11,184	15,344	18,350	18,350	19,454	22,976	21,676
Sport and recreation		12,370	15,305	12,082	18,381	42,928	42,928	56,077	61,913	68,401
Public safety		26,724	21,301	31,002	30,993	25,767	25,767	25,824	25,886	26,952
Housing		4,026	6,556	3,914	6,629	8,714	8,714	9,195	9,546	9,931
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		17,167	82,659	82,170	76,805	89,740	89,740	110,933	118,102	125,779
Planning and development		8,359	9,585	17,669	12,162	19,160	19,160	25,076	26,971	29,030
Road transport		8,809	73,074	64,501	64,643	69,842	69,842	84,424	89,523	94,846
Environmental protection		-	-	-	-	737	737	1,435	1,608	1,803
<b>Trading services</b>		741,556	805,727	834,778	872,955	897,030	897,030	1,058,623	1,122,158	1,176,474
Energy sources		667,178	741,915	758,773	801,800	817,876	817,876	979,004	1,036,791	1,085,942
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		74,378	63,811	76,000	71,154	79,154	79,154	80,619	85,428	90,531
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1,328,480</b>	<b>1,454,392</b>	<b>1,541,023</b>	<b>1,596,766</b>	<b>1,645,206</b>	<b>1,645,206</b>	<b>1,914,125</b>	<b>2,030,978</b>	<b>2,139,748</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		165,533	201,475	204,661	250,335	266,869	266,869	304,645	319,652	342,844
Executive and council		66,794	87,445	69,999	92,948	98,569	98,569	111,959	120,707	132,258
Finance and administration		95,757	110,354	134,662	152,696	163,764	163,764	187,693	193,610	204,883
Internal audit		2,983	3,676	-	4,691	4,537	4,537	4,993	5,335	5,703
<b>Community and public safety</b>		209,866	220,841	228,043	267,328	262,503	262,503	312,810	337,683	368,936
Community and social services		24,388	29,259	32,186	41,257	39,221	39,221	44,022	47,112	50,390
Sport and recreation		68,272	73,772	81,296	86,587	88,257	88,257	113,841	123,026	133,057
Public safety		109,246	108,488	103,678	117,942	117,917	117,917	130,078	136,371	145,706
Housing		7,960	11,122	10,683	19,542	17,109	17,109	24,869	30,573	39,784
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		141,554	134,852	133,694	157,695	158,525	158,525	189,220	203,513	213,980
Planning and development		45,207	49,016	62,391	59,760	62,420	62,420	75,671	83,670	89,262
Road transport		96,346	84,726	81,303	94,997	93,473	93,473	110,208	116,111	121,670
Environmental protection		-	1,110	-	2,938	2,832	2,832	3,441	3,731	4,048
<b>Trading services</b>		695,565	738,733	757,276	848,410	887,659	887,659	1,025,439	1,085,384	1,133,994
Energy sources		637,442	673,295	687,590	776,352	806,985	806,985	934,859	969,440	1,032,405
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		58,123	65,438	69,686	74,058	81,674	81,674	90,561	95,944	101,589
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1,212,518</b>	<b>1,295,701</b>	<b>1,323,674</b>	<b>1,524,768</b>	<b>1,575,557</b>	<b>1,575,557</b>	<b>1,832,105</b>	<b>1,945,631</b>	<b>2,059,754</b>
<b>Surplus/(Deficit) for the year</b>		<b>115,962</b>	<b>158,691</b>	<b>217,349</b>	<b>71,998</b>	<b>69,649</b>	<b>69,649</b>	<b>82,020</b>	<b>85,345</b>	<b>79,993</b>

Municipal government and a centralisation  
 of functions  
 Mayor and Council  
 Finance and administration  
 Municipal Manager, Town Secretary and Chief Executive  
 Administration and Corporate Support  
 Finance  
 Fleet Management  
 Human Resources  
 Information Technology  
 Legal Services  
 Marketing, Customer Relations, Publicity and Media Co-  
 ordination  
 Property Services  
 Risk Management  
 Security Services  
 Supply Chain Management  
 Valuation Service  
 Internal audit  
 Governance Function  
 Community and public safety  
 Community and social services  
 Agricultural  
 Animal Care and Diseases  
 Cemeteries, Funeral Parlours and Crematoriums  
 Child Care Facilities  
 Community Halls and Facilities  
 Consumer Protection  
 Cultural Matters  
 Diseases Management  
 Education  
 Indigenous and Customary Law  
 Industrial Production  
 Language Policy  
 Libraries and Archives  
 Literary Programmes  
 Museums and Art Galleries  
 Population Development  
 Provincial Cultural Matters  
 Theatres  
 Zoos  
 Spoil and recreation  
 Beaches and Tides  
 Casinos, Racing, Gambling, Wagering  
 Community Parties (including Marriages)  
 Recreational Facilities  
 Sports Grounds and Stadiums  
 Public Safety  
 Civil Defence  
 Cleaning  
 Control of Public Nuisances  
 Fencing and Fences  
 Fire Fighting and Protection  
 Licencing and Control of Animals  
 Police Forces, Traffic and Street Parking Control  
 Housing  
 Housing  
 Informal Settlements  
 Ambulances  
 Health Services  
 Laboratory Services  
 Food Control  
 Health Surveillance and Prevention of Communicable Diseases  
 Chemical Safety

Economic and environmental services	17,167	42,659	62,178	76,895	89,740	59,246	118,933	118,102	125,779
Planning and development	8,353	9,585	17,658	12,162	19,150	19,160	25,075	26,971	29,930
Billsboards	-	-	-	-	292	292	327	357	411
Corporate Wide Strategic Planning (IDPs, LEDs)	-	-	-	-	-	-	-	-	-
Central City Improvement District	-	-	-	-	-	-	-	-	-
Development Facilitation	-	228	439	316	686	686	940	1,032	1,135
Economic Development/Planning	174	138	3,216	2,213	5,153	5,183	7,007	7,756	8,580
Regional Planning and Development	-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City	8,165	8,218	13,935	9,633	12,969	12,969	15,501	17,515	18,894
Project Management Unit	-	-	-	-	-	-	-	-	-
Provincial Planning	-	-	-	-	-	-	-	-	-
Support to Local Municipalities	-	-	-	-	-	-	-	-	-
Road transport	8,869	73,074	84,501	84,643	69,942	69,842	84,424	89,523	94,946
Public Transport	-	-	-	-	-	-	-	-	-
Road and Traffic Regulation	-	6,744	9,656	9,888	10,438	10,438	11,158	11,835	12,601
Roads	8,869	64,330	54,835	54,955	59,405	59,405	73,255	77,707	82,445
Taxi Ranks	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	737	737	1,435	1,606	1,833
Biodiversity and Landscape	-	-	-	-	737	737	1,435	1,606	1,833
Coastal Protection	-	-	-	-	-	-	-	-	-
Indigenous Forests	-	-	-	-	-	-	-	-	-
Nature Conservation	-	-	-	-	-	-	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-	-	-
Trading services	741,556	906,727	834,778	872,955	897,930	897,630	1,859,623	1,122,158	1,176,474
Energy sources	657,178	741,915	759,778	801,800	817,876	817,876	979,804	1,036,731	1,085,842
Electricity	657,178	741,915	759,778	801,800	817,876	817,876	979,718	1,031,138	1,080,026
Street Lighting and Signal Systems	-	-	-	-	-	-	5,266	5,952	5,517
Non-electric Energy	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-
Water Treatment	-	-	-	-	-	-	-	-	-
Water Distribution	-	-	-	-	-	-	-	-	-
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-	-	-	-
Sewerage	-	-	-	-	-	-	-	-	-
Storm Water Management	-	-	-	-	-	-	-	-	-
Waste Water Treatment	-	-	-	-	-	-	-	-	-
Waste management	74,379	63,811	76,000	71,154	79,154	79,154	80,619	85,428	90,531
Recycling	-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)	-	-	-	-	-	-	-	-	-
Solid Waste Removal	74,379	63,811	76,000	71,154	79,154	79,154	80,619	85,428	90,531
Street Cleaning	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Ferry	-	-	-	-	-	-	-	-	-
Licensing and Regulation	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2 1,328,480	1,454,362	1,541,023	1,596,765	1,645,298	1,645,286	1,934,129	2,030,876	2,130,748

[illegible]

<b>Economic and environmental services</b>	141,554	134,652	130,694	127,695	150,525	158,525	189,220	203,513	213,980
Planning and development	45,297	49,018	62,391	60,760	62,420	62,420	78,871	83,670	88,262
Billboards									
Corporate Wide Strategic Planning (IDPs, LEDS)	8,833	10,232	12,715	14,503	14,634	14,634	21,525	23,936	24,584
Central City Improvement District									
Development Facilitation	-	6,850	8,819	9,831	8,392	8,392	10,740	11,408	12,182
Economic Development/Planning	14,888	15,281	14,570	16,163	18,845	18,845	19,202	22,793	24,507
Regional Planning and Development									
Town Planning, Building Regulations and Enforcement, and City	21,398	18,653	16,887	19,202	20,779	20,779	24,066	25,534	27,058
Project Management Unit									
Provincial Planning									
Support to Local Municipalities									
Road transport	98,398	84,728	81,303	94,097	93,473	93,473	119,208	116,111	121,579
Public Transport									
Road and Traffic Regulation	-	10,967	10,274	12,004	11,898	11,898	13,323	14,065	14,811
Roads	98,346	73,759	71,029	82,092	81,575	81,575	98,885	102,017	106,759
Taxi Ranks									
Environmental protection	-	1,110	-	2,938	2,632	2,632	3,441	3,731	4,048
Biodiversity and Landscape	-	1,110	-	2,938	2,632	2,632	3,441	3,731	4,048
Coastal Protection									
Indigenous Forests									
Nature Conservation									
Pollution Control									
Soil Conservation									
Trading services	695,568	738,733	767,278	849,410	887,839	887,839	1,028,430	1,085,264	1,193,994
Energy sources	637,442	673,285	687,590	775,352	805,985	805,985	934,869	989,440	1,032,405
Electricity	631,995	668,665	687,590	770,858	800,787	800,787	924,073	978,024	1,020,327
Street Lighting and Signal Systems	5,446	5,630	-	4,404	5,198	5,198	10,790	11,416	12,078
Non-electric Energy									
Water management	-	-	-	-	-	-	-	-	-
Water Treatment									
Water Distribution									
Water Storage									
Waste water management	-	-	-	-	-	-	-	-	-
Public Toilets									
Sewerage									
Storm Water Management									
Waste Water Treatment									
Waste management	88,123	65,438	69,688	74,058	81,674	81,674	96,561	95,944	101,589
Recycling									
Solid Waste Disposal (Landfill Sites)	51,173	58,388	61,839	65,717	73,039	73,039	79,918	84,063	89,675
Solid Waste Removal	6,950	7,052	7,849	8,341	8,636	8,636	10,643	11,261	11,914
Street Cleaning									
Other	-	-	-	-	-	-	-	-	-
Abattoirs									
Air Transport									
Forestry									
Licensing and Regulation									
Markets									
Tourism									
<b>Total Expenditure - Functional</b>	<b>8</b>	<b>1,212,518</b>	<b>1,295,701</b>	<b>1,323,674</b>	<b>1,524,768</b>	<b>1,575,557</b>	<b>1,632,105</b>	<b>1,945,631</b>	<b>2,059,754</b>
<b>Surplus/(Deficit) for the year</b>		<b>116,962</b>	<b>188,901</b>	<b>217,349</b>	<b>71,988</b>	<b>89,649</b>	<b>82,020</b>	<b>85,345</b>	<b>79,983</b>

KZN292 Kwadukuzi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ret	R thousands					Current Year 2018/19	2019/20 Medium Term Revenue Framework	2020/21	2021/22
		Audited	Audited	Audited	Outcome	Outcome				
Revenue by Vote	1	1,418	16,778	1,708	2,007	6,271	9,382	10,388	11,465	11,465
Vote 1 - Chief Operations Officer Business Unit		158,208	100,413	76,379	487,811	44,988	52,991	55,680	61,739	61,739
Vote 2 - Corporate Services Business Unit		8,525	399,797	90,651	12,354	19,797	29,394	33,426	32,647	32,647
Vote 3 - Finance Business Unit		9,617	63,722	95,503	89,742	132,916	144,756	156,811	168,079	168,079
Vote 4 - Economic Development Planning Business Unit		25,781	31,635	42,598	43,329	38,853	39,958	41,025	42,178	42,178
Vote 5 - Community Safety Business Unit		12,844	69,898	61,598	61,132	69,132	82,465	87,288	92,392	92,392
Vote 7 - Civil Engineering and Human Settlement Business		887,178	742,458	801,800	817,876	817,876	981,981	1,039,881	1,089,275	1,089,275
Vote 8 - Youth Development Business Unit		—	—	—	—	—	—	—	—	—
Vote 9 - Youth Development Business Unit		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	1,328,480	1,454,845	1,541,023	1,598,788	1,645,208	1,814,125	2,030,976	2,139,748	2,139,748
Expenditure by Vote to be appropriated	1	41,631	49,610	37,607	50,580	55,052	68,271	72,660	76,617	76,617
Vote 1 - Chief Operations Officer Business Unit		73,620	87,217	90,003	113,616	120,409	137,827	147,049	159,948	159,948
Vote 2 - Corporate Services Business Unit		44,626	45,983	62,036	69,211	67,975	83,265	82,618	87,218	87,218
Vote 3 - Finance Business Unit		37,077	40,749	40,690	49,494	51,474	58,638	64,684	69,003	69,003
Vote 4 - Economic Development Planning Business Unit		132,646	147,314	159,475	176,631	182,885	216,597	231,894	248,300	248,300
Vote 5 - Community Safety Business Unit		124,875	148,136	146,275	166,509	169,389	184,970	194,631	207,531	207,531
Vote 6 - Civil Engineering and Human Settlement Business		109,289	89,734	87,154	108,791	105,085	128,453	139,675	154,036	154,036
Vote 7 - Youth Development Business Unit		643,019	680,983	692,925	781,485	815,339	947,029	1,002,300	1,046,004	1,046,004
Vote 8 - Youth Development Business Unit		5,737	6,518	6,608	8,470	7,948	8,254	10,120	11,077	11,077
Vote 9 - Youth Development Business Unit		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	1,212,518	1,286,244	1,323,674	1,524,768	1,575,557	1,832,105	1,945,631	2,059,754	2,059,754
Surplus/(Deficit) for the year	2	115,962	168,601	217,349	71,598	69,651	82,020	85,345	79,893	79,893

KZN202 KwaDukuza - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote										
Vote 1 - Chief Operations Officer Business Unit	1	1,418	16,978	1,708	2,027	6,271	6,271	9,382	10,368	11,465
1.1 - Municipal Manager's Office		1,418	16,978	1,708	2,027	2,777	2,777	4,864	5,342	5,872
1.2 - Internal Audit						597	597	1,273	1,389	1,517
1.3 - Corporate Communications						2,604	2,604	2,817	3,270	3,666
1.4 - IDP						-	-			
1.5 - PMS						292	292	327	367	411
1.6 - Public Participation										
Vote 2 - Corporate Services Business Unit		158,206	100,413	76,379	90,651	44,988	44,988	52,991	55,680	61,739
2.1 - Council General Expenses		157,626	100,347	76,294	90,566	43,271	43,271	48,621	50,944	56,601
2.2 - Human Resources - Admin		463			-	1,632	1,632	2,183	2,423	2,680
2.3 - Administration: General		76	68	85	85	85	85	1,335	1,412	1,494
2.4 - Information Technology		39						852	901	953
Vote 3 - Finance Business Unit		352,941	399,797	487,811	482,967	511,897	511,897	587,881	601,546	635,393
3.1 - Assessment Rates		319,814	355,097	435,112	430,791	451,291	451,291	492,889	521,477	551,723
3.2 - Budget and Treasury Office		41,589	43,266	50,472	49,971	58,102	58,102	72,650	77,486	80,938
3.3 - Supply Chain Management		1,527	1,443	2,227	2,205	2,305	2,305	2,441	2,583	2,732
Vote 4 - Economic Development Planning Business Unit		8,525	9,948	17,809	12,354	19,797	19,797	29,384	33,426	32,647
4.1 - Museum		166	361	140	192	192	192	3,202	5,214	2,225
4.2 - Economic Develop. & Planning		174	138	3,216	2,213	5,183	5,183	7,007	7,758	8,590
4.3 - Environment & Management					-	737	737	1,435	1,608	1,803
4.4 - Development Control			228	459	316	686	686	940	1,032	1,135
4.5 - Town Planning		8,185	498	1,876	1,292	3,938	3,938	7,171	7,587	8,027
4.6 - Building Control			8,720	12,118	8,342	9,061	9,061	9,830	10,228	10,867
Vote 5 - Community Services and Public Amenities Business Unit		91,617	83,722	95,503	99,742	132,916	132,916	144,756	155,911	168,079
5.1 - Beach Amenities		164	645		-	-	-			
5.2 - Library		3,292	3,453	4,208	5,772	5,773	5,773	6,075	6,393	6,756
5.3 - Cemetery		1,373	942	3,012	4,133	4,877	4,877	1,790	1,971	2,172
5.4 - Admin General					-	-	-			
5.5 - Parks and Gardens		11,617	12,752	10,468	15,401	37,148	37,148	55,327	61,138	67,600
5.6 - Sport and Recreation		5	1,295	1,583	2,328	5,119	5,119	73	77	82
5.7 - Dolphin Park		557	585		635	646	646	660	680	700
5.8 - Community Halls		231	228	232	318	200	200	212	224	237
5.9 - Street Sweeping					-	-	-			
5.10 - Refuse Removal		74,379	63,811	76,000	71,154	79,154	79,154	80,819	85,428	90,531
Vote 6 - Community Safety Business Unit		25,751	31,635	42,598	43,329	38,853	38,853	39,958	41,025	42,178
6.1 - Law Enforcement Administration					-	-	-			
6.2 - Security Services		-			-	-	-			
6.3 - Law Enforcement		25,724	21,247	30,879	30,946	25,840	25,840	25,690	25,743	25,802
6.4 - Fire and Emergency			54	124	47	127	127	135	142	151
6.5 - Disaster Management			1,572	1,919	2,632	2,632	2,632	2,949	3,305	3,705
6.6 - Marine Safety	27		18	11	16	16	16	17	18	19
6.7 - Vehicle Testing			4,348	5,253	5,265	5,515	5,515	5,901	6,243	6,605
6.8 - Vehicle Licensing			4,396	4,413	4,423	4,923	4,923	5,267	5,573	5,896
Vote 7 - Civil Engineering and Human Settlement Business Unit		12,844	69,896	58,763	61,598	68,132	68,132	82,485	87,288	92,392
7.1 - Human Settlements		4,026	5,556	3,914	5,629	8,714	8,714	9,195	9,546	9,931
7.2 - Civil Admin		824		4,064	4,073	3,415	3,415	3,641	2,017	2,167
7.3 - Civil Buildings		0	0	0	0	0	0	0	0	0
7.4 - Road and Stormwater		7,984	84,330	50,771	50,882	55,990	55,990	69,614	75,690	80,278
7.5 - Staff Housing		9	9	13	13	13	13	14	15	16
Vote 8 - Electrical Engineering Business Unit		667,178	741,915	759,778	801,800	817,876	817,876	981,981	1,039,881	1,089,275
8.1 - Street Lights		-			-	-	-	5,286	5,592	5,917
8.2 - Vehicle and Plant Electricity		-			-	-	-	2,381	2,519	2,665
8.3 - Mechanical Workshop					-	-	-	597	631	668
8.4 - Electricity: Administration		554,989	612,604	618,966	654,081	674,137	674,137	778,379	824,470	861,370
8.5 - Electricity: Urban South		6,110	6,577	6,831	7,218	7,218	7,218	8,187	8,662	9,164
8.6 - Electricity: Rural North		-			-	-	-			
8.7 - Electricity: SAPPI		108,079	122,734	132,981	140,521	136,521	136,521	154,842	163,823	173,324
8.8 - Electricity: Urban North										
8.9 - Electricity: Rural South										
8.10 - Electricity Salaries Dist.Acc.								32,310	34,184	36,167
Vote 9 - Youth Development Business Unit		-	-	1,674	2,297	4,676	4,676	5,227	5,871	6,581
9.1 - Youth Development				1,674	2,297	4,676	4,676	5,227	5,871	6,581
Total Revenue by Vote	2	1,328,480	1,454,302	1,541,023	1,596,766	1,645,206	1,645,206	1,914,125	2,030,976	2,139,748

Vote Description		2015/16 Audited	2016/17 Audited	2017/18 Audited	Current Year 2018/19 Adjusted Budget	Forecast Full Year	2019/20 Budget Year	2020/21 Budget Year +1 Framework	2021/22 Budget Year +2
Ref									
Expenditure by Vote									
Vote 1 - Chief Operations Officer Business Unit									
1.1 - Municipal Manager's Office									
1.2 - Internal Audit									
1.3 - Corporate Communications									
1.4 - IDP									
1.5 - PMS									
1.6 - Public Participation									
Vote 2 - Corporate Services Business Unit									
2.1 - Council General Expenses									
2.2 - Human Resources - Admin									
2.3 - Administration: General									
2.4 - Information Technology									
Vote 3 - Finance Business Unit									
3.1 - Assessment Rates									
3.2 - Budget and Treasury Office									
3.3 - Supply Chain Management									
Vote 4 - Economic Development Planning Business Unit									
4.1 - Museum									
4.2 - Economic Develop. & Planning									
4.3 - Environment & Management									
4.4 - Development Control									
4.5 - Town Planning									
4.6 - Building Control									
Vote 5 - Community Services and Public Amenities Bus									
5.1 - Beach Amenities									
5.2 - Library									
5.3 - Cemetery									
5.4 - Admin General									
5.5 - Parks and Gardens									
5.6 - Sport and Recreation									
5.7 - Dolphin Park									
5.8 - Community Halls									
5.9 - Street Sweeping									
5.10 - Refuse Removal									
Vote 6 - Community Safety Business Unit									
6.1 - Law Enforcement Administration									
6.2 - Security Services									
6.3 - Law Enforcement									
6.4 - Fire and Emergency									
6.5 - Disaster Management									
6.6 - Marine Safety									
6.7 - Vehicle Licensing									
6.8 - Vehicle Licensing									
Vote 7 - (Civil) Engineering and Human Settlement Busin									
7.1 - Human Settlements									
7.2 - Civil Admin									
7.3 - Civil Buildings									
7.4 - Road and Stormwater									
7.5 - Staff Housing									
Vote 8 - Electrical Engineering Business Unit									
8.1 - Street Lights									
8.2 - Vehicle and Plant Electricity									
8.3 - Mechanical Workshop									
8.4 - Electricity: Administration									
8.5 - Electricity: Rural South									
8.6 - Electricity: Rural North									
8.7 - Electricity: S&PP									
8.8 - Electricity: Urban North									
8.9 - Electricity: Rural South									
8.10 - Electricity Salaries Dist.Acc.									
Vote 9 - Youth Development Business Unit									
9.1 - Youth Development									
Total Expenditure by Vote									
Surplus/(Deficit) for the year									



KZN202 KwaDukuza - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2016/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue By Source</b>												
Property rates	2		312,498	346,802	382,441	430,791	451,291	451,291	451,291	491,726	519,629	549,966
Service charges - electricity revenue	2		622,058	685,210	732,877	751,134	770,410	770,410	770,410	870,312	919,567	971,530
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		57,371	48,403	57,437	63,807	63,607	63,607	63,607	62,847	65,629	68,260
Rental of facilities and equipment			1,017	997	1,488	1,161	1,630	1,630	1,630	1,686	1,758	1,833
Interest earned - external investments			30,410	32,612	31,077	28,005	30,025	30,025	30,025	32,139	34,395	36,752
Interest earned - outstanding debtors			5,564	5,573	5,231	7,200	6,850	6,850	6,850	7,566	7,947	8,350
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			23,468	31,577	31,011	47,019	38,319	38,319	38,319	40,020	41,079	41,142
Licences and permits			8,598	93	200	205	205	205	205	217	230	243
Agency services			-	8,744	10,935	9,688	10,438	10,438	10,438	11,168	11,816	12,501
Transfers and subsidies			121,813	127,957	142,813	166,667	164,451	164,451	164,451	185,995	207,030	225,229
Other revenue	2		54,929	67,948	63,026	34,836	38,719	38,719	38,719	132,476	141,074	140,563
Gains on disposal of PPE			50	4,908	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>1,237,774</b>	<b>1,370,822</b>	<b>1,468,538</b>	<b>1,525,513</b>	<b>1,575,946</b>	<b>1,575,946</b>	<b>1,575,946</b>	<b>1,835,153</b>	<b>1,949,953</b>	<b>2,064,369</b>
<b>Expenditure By Type</b>												
Employee related costs	2		282,807	320,464	343,090	375,583	386,928	386,928	386,928	454,252	483,611	516,684
Remuneration of councillors			18,544	18,810	21,812	23,182	23,182	23,182	23,182	24,043	25,967	29,107
Debt impairment	3		37,603	18,275	23,185	45,529	8,134	8,134	8,134	8,562	9,268	9,921
Depreciation & asset impairment	2		69,596	63,434	70,332	85,000	86,000	86,000	86,000	90,844	95,629	100,889
Finance charges			24,880	24,515	23,103	23,786	23,786	23,786	23,786	28,713	28,207	28,207
Bulk purchases	2		488,651	552,551	567,223	633,019	623,662	623,662	623,662	670,713	711,606	739,615
Other materials	8		63,325	68,820	38,437	38,437	19,739	19,739	19,739	21,004	22,235	23,544
Contracted services			30,463	29,171	125,454	150,780	180,378	180,378	180,378	213,649	229,027	248,888
Transfers and subsidies			6,100	-	-	300	19,816	19,816	19,816	19,445	8,044	8,816
Other expenditure	4, 5		179,839	190,499	146,628	148,170	203,930	203,930	203,930	308,980	332,037	355,183
Loss on disposal of PPE			10,709	9,062	2,847	-	-	-	-	-	-	-
<b>Total Expenditure</b>			<b>1,212,518</b>	<b>1,295,701</b>	<b>1,323,674</b>	<b>1,524,768</b>	<b>1,575,557</b>	<b>1,575,557</b>	<b>1,575,557</b>	<b>1,832,105</b>	<b>1,945,631</b>	<b>2,059,754</b>
<b>Surplus/(Deficit)</b>												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			23,256	75,122	144,862	745	389	389	389	4,048	4,322	4,805
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)			87,043	79,760	64,469	63,052	69,260	69,260	69,260	72,972	75,022	75,388
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6		3,663	3,720	8,018	8,202	-	-	-	5,000	6,000	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>115,962</b>	<b>158,601</b>	<b>217,349</b>	<b>71,998</b>	<b>69,649</b>	<b>69,649</b>	<b>69,649</b>	<b>82,020</b>	<b>85,345</b>	<b>79,993</b>
Taxation			-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>			<b>115,962</b>	<b>158,601</b>	<b>217,349</b>	<b>71,998</b>	<b>69,649</b>	<b>69,649</b>	<b>69,649</b>	<b>82,020</b>	<b>85,345</b>	<b>79,993</b>
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>			<b>115,962</b>	<b>158,601</b>	<b>217,349</b>	<b>71,998</b>	<b>69,649</b>	<b>69,649</b>	<b>69,649</b>	<b>82,020</b>	<b>85,345</b>	<b>79,993</b>
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>			<b>115,962</b>	<b>158,601</b>	<b>217,349</b>	<b>71,998</b>	<b>69,649</b>	<b>69,649</b>	<b>69,649</b>	<b>82,020</b>	<b>85,345</b>	<b>79,993</b>







KZN292 KwaDukuza - Table A6 Budgeted Financial Position

R thousand	Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>ASSETS</b>												
<b>Current assets</b>												
	Cash		162,941	270,209	403,908	191,666	359,187	359,187	177,913	140,551	122,431	
1	Call investment deposits		293,376	121,461	106,873	141,461	121,143	121,143	131,143	135,143	185,143	
1	Consumer debtors		60,522	89,240	97,969	124,801	122,871	122,871	160,593	183,317	227,354	
	Other debtors		90,786	91,514	103,452	125,981	82,218	82,218	67,353	67,385	71,850	
	Current portion of long-term receivables		5	5	7	5	7	7	7	7	7	
2	Inventory		6,849	6,450	7,057	6,450	7,057	7,057	7,557	7,907	8,187	
	<b>Total current assets</b>		<b>614,479</b>	<b>578,879</b>	<b>719,265</b>	<b>590,364</b>	<b>692,482</b>	<b>692,482</b>	<b>544,566</b>	<b>534,309</b>	<b>614,971</b>	
<b>Non current assets</b>												
	Long-term receivables		1,083	769	641	661	587	587	533	897	734	
	Investments											
	Investment property		147,970	164,485	170,580	153,735	170,580	170,580	170,580	170,580	170,580	
3	Investment in Associate											
	Property, plant and equipment		1,680,216	1,875,725	1,967,674	2,195,168	2,118,618	2,118,618	2,405,391	2,572,835	2,644,145	
	Biological											
	Intangible		9,508	7,704	4,992	6,047	4,294	4,294	4,942	1,981	(1,037)	
	Other non-current assets			105	105	105	105	105	105	105	105	
	<b>Total non current assets</b>		<b>1,836,776</b>	<b>2,048,788</b>	<b>2,143,983</b>	<b>2,355,716</b>	<b>2,294,184</b>	<b>2,294,184</b>	<b>2,581,452</b>	<b>2,746,399</b>	<b>2,814,527</b>	
	<b>TOTAL ASSETS</b>		<b>2,453,255</b>	<b>2,627,668</b>	<b>2,863,259</b>	<b>2,946,080</b>	<b>2,986,666</b>	<b>2,986,666</b>	<b>3,126,018</b>	<b>3,280,708</b>	<b>3,429,498</b>	
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
1	Bank overdraft											
4	Borrowing		13,443	8,688	9,330	6,723	8,347	8,347	9,181	10,099	11,109	
	Consumer deposits		30,168	31,393	32,018	36,393	34,518	34,518	37,018	38,518	40,018	
4	Trade and other payables		224,562	256,815	266,035	273,980	279,035	279,035	254,035	264,035	264,035	
	Provisions		17,599	6,307	6,443	11,015	7,847	7,847	9,286	10,864	12,868	
	<b>Total current liabilities</b>		<b>285,771</b>	<b>302,005</b>	<b>313,826</b>	<b>328,111</b>	<b>329,747</b>	<b>329,747</b>	<b>309,520</b>	<b>323,517</b>	<b>328,030</b>	
<b>Non current liabilities</b>												
	Borrowing		240,238	230,258	220,928	289,768	227,940	227,940	272,896	292,414	317,728	
	Provisions		105,256	139,452	149,107	168,818	179,933	179,933	212,534	248,365	287,334	
	<b>Total non current liabilities</b>		<b>345,494</b>	<b>369,710</b>	<b>370,036</b>	<b>458,586</b>	<b>407,873</b>	<b>407,873</b>	<b>485,430</b>	<b>540,779</b>	<b>605,062</b>	
	<b>TOTAL LIABILITIES</b>		<b>631,266</b>	<b>671,714</b>	<b>683,861</b>	<b>786,698</b>	<b>737,619</b>	<b>737,619</b>	<b>794,951</b>	<b>864,296</b>	<b>933,092</b>	
5	<b>NET ASSETS</b>		<b>1,821,990</b>	<b>1,955,953</b>	<b>2,179,398</b>	<b>2,159,384</b>	<b>2,249,047</b>	<b>2,249,047</b>	<b>2,331,067</b>	<b>2,416,412</b>	<b>2,496,406</b>	
<b>COMMUNITY WEALTH/EQUITY</b>												
	Accumulated Surplus/(Deficit)		1,903,449	1,928,912	2,152,366	2,140,843	2,222,006	2,222,006	2,304,026	2,389,371	2,469,364	
4	Reserves		18,541	27,041	27,041	18,541	27,041	27,041	27,041	27,041	27,041	
5	<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>1,821,990</b>	<b>1,955,953</b>	<b>2,179,398</b>	<b>2,159,384</b>	<b>2,249,047</b>	<b>2,249,047</b>	<b>2,331,067</b>	<b>2,416,412</b>	<b>2,496,406</b>	

KZN292 KwaDukuza - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19					2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		286,900	357,545	403,722	387,712	406,162	406,162	406,162	442,554	467,576	494,969	
Service charges		659,554	707,479	790,314	724,447	790,516	790,516	790,516	839,843	883,310	932,389	
Other revenue		56,092	117,150	82,179	49,909	58,542	58,542	58,542	57,987	60,233	162,851	
Government - operating	1	121,813	128,086	143,208	166,667	164,451	164,451	164,451	185,995	207,030	225,229	
Government - capital	1	87,043	83,894	77,127	76,093	69,260	69,260	69,260	72,972	75,022	75,388	
Interest		30,410	37,092	36,308	27,685	34,478	34,478	34,478	37,056	39,163	41,761	
Dividends		-	-	-	-	-	-	-	-	-	-	
Payments												
Suppliers and employees		(1,031,407)	(1,158,157)	(1,191,869)	(1,319,915)	(1,355,196)	(1,355,196)	(1,355,196)	(1,555,902)	(1,621,454)	(1,828,213)	
Finance charges		(24,880)	(24,515)	(23,103)	(23,786)	(23,786)	(23,786)	(23,786)	(26,713)	(28,207)	(28,207)	
Transfers and Grants	1	-	-	-	(300)	(19,816)	(19,816)	(19,816)	(10,445)	(8,044)	(8,816)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		195,525	248,573	317,887	88,511	84,711	84,711	84,711	41,348	74,628	67,352	
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		100	900	141	-	-	-	-	-	-	(280)	
Decrease (increase) in non-current debtors		-	-	(38,047)	102,500	112,500	112,500	112,500	112,500	125,000	106,000	
Decrease (increase) other non-current receivables		-	-	-	54	54	54	54	54	(364)	163	
Decrease (increase) in non-current investments		(93,410)	171,916	14,588	-	(14,270)	(14,270)	(14,270)	(10,000)	(4,000)	(50,000)	
Payments												
Capital assets		(312,378)	(300,611)	(152,806)	(344,762)	(236,245)	(236,245)	(236,245)	(377,966)	(260,212)	(166,180)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(405,688)	(127,796)	(176,125)	(242,209)	(137,961)	(137,961)	(137,961)	(276,912)	(133,928)	(113,297)	
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		28,671	-	-	77,186	15,000	15,000	15,000	60,000	40,000	50,000	
Increase (decrease) in consumer deposits		4,007	1,226	625	2,500	2,500	2,500	2,500	2,500	1,500	1,500	
Payments												
Repayment of borrowing		-	(14,735)	(8,689)	(14,336)	(8,971)	(8,971)	(8,971)	(14,210)	(19,564)	(23,675)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		32,679	(13,509)	(8,064)	65,350	8,529	8,529	8,529	48,290	21,936	27,825	
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	(177,484)	107,268	133,699	(88,347)	(44,721)	(44,721)	(44,721)	(181,274)	(37,362)	(16,120)	
Cash/cash equivalents at the year end:	2	340,424	162,941	270,209	280,013	403,908	403,908	403,908	359,187	177,913	140,551	
Cash/cash equivalents at the year end:	2	162,941	270,209	403,908	191,666	359,187	359,187	359,187	177,913	140,551	122,431	

KZN292 KwaDukuza - Table A8 Cash backed reserves/accumulated surplus reconciliation

KZN292 Kwadukuzi - Table Aa Cash backed reserves/accumulated surplus recommendation												
Description	Ref	2017/18				Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>												
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	162,941	270,209	403,908		191,868	359,187	359,187	359,187	177,913	140,551	122,431
Other current investments > 90 days		293,376	121,461	106,873		141,481	121,143	121,143	121,143	131,143	135,143	174,143
Non current assets - Investments	1	-	-	-		-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>456,317</b>	<b>391,670</b>	<b>510,781</b>		<b>333,126</b>	<b>480,330</b>	<b>480,330</b>	<b>480,330</b>	<b>309,056</b>	<b>275,694</b>	<b>296,574</b>
<b>Application of cash and investments</b>												
Unspent conditional transfers		24,300	47,200	52,234		-	-	-	-	-	-	-
Unspent borrowing		-	-	-		-	-	-	-	-	-	-
Statutory requirements	2											
Other working capital requirements	3	58,113	30,397	14,614		55,246	98,095	98,095	98,095	64,760	56,233	(595)
Other provisions												
Long term investments committed	4	-	-	-		-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5											
<b>Total Application of cash and investments:</b>		<b>82,413</b>	<b>77,596</b>	<b>66,849</b>		<b>55,246</b>	<b>98,095</b>	<b>98,095</b>	<b>98,095</b>	<b>64,760</b>	<b>56,233</b>	<b>(595)</b>
<b>Surplus(shortfall)</b>		<b>373,904</b>	<b>314,074</b>	<b>443,932</b>		<b>277,881</b>	<b>382,235</b>	<b>382,235</b>	<b>382,235</b>	<b>244,296</b>	<b>219,461</b>	<b>297,169</b>

Description	Ref	CAPITAL EXPENDITURE									
		2015/16	2016/17	2017/18	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
Total New Assets	1	281,621	230,465	421,779	228,305	278,305	167,821	167,821	273,860	195,669	145,192
		162,000	121,879	22,874	68,690	49,714	49,714	49,714	68,936	68,936	55,572
Roads Infrastructure		62,228	(1,779)	20,676	124,626	43,498	43,498	43,498	129,262	68,368	69,000
Storm water Infrastructure		177	437	3,000	1,250	1,250	1,250	1,250	200	200	100
Electrical Infrastructure		881	177	3,000	3,000	3,000	3,000	3,000	5,700	5,700	100
Sanitation Infrastructure		881	177	3,000	3,000	3,000	3,000	3,000	5,700	5,700	100
Water Supply Infrastructure		881	177	3,000	3,000	3,000	3,000	3,000	5,700	5,700	100
Information and Communication Infrastructure		881	177	3,000	3,000	3,000	3,000	3,000	5,700	5,700	100
Community Facilities		17,191	33,991	46,774	49,442	29,718	29,718	29,718	56,242	49,620	11,410
Sport and Recreation Facilities		10,837	21,030	11,294	5,630	6,628	6,628	6,628	5,800	9,800	1,800
Heritage Assets		27,827	55,021	58,668	55,072	89,347	89,347	89,347	62,042	69,420	13,210
Non-revenue Generating		7,015	6,095	200	200	200	200	200	200	200	200
Investment properties		7,490	37,471	10,882	21,000	21,616	21,616	21,616	3,000	3,000	3,000
Operational Buildings		7,490	37,471	10,882	21,000	21,616	21,616	21,616	3,000	3,000	3,000
Housing		7,490	37,471	10,882	21,000	21,616	21,616	21,616	3,000	3,000	3,000
Other Assets		7,490	37,471	10,882	21,000	21,616	21,616	21,616	3,000	3,000	3,000
Biological or Cultivated Assets		1,134	895	3,660	8,080	1,150	1,150	1,150	3,260	400	400
Intangible Assets		1,134	895	3,660	8,080	1,150	1,150	1,150	3,260	400	400
Furniture and Office Equipment		1,186	1,041	782	1,150	1,150	1,150	1,150	800	800	800
Machinery and Equipment		4,752	3,351	1,581	3,702	4,818	4,818	4,818	4,820	5,855	3,530
Land		14,022	4,823	3,405	3,270	3,270	3,270	3,270	5,800	1,800	1,000
Zoo's, Marine and Non-biological Animals		14,022	4,823	3,405	3,270	3,270	3,270	3,270	5,800	1,800	1,000
Total Renewal of Existing Assets											
Roads Infrastructure		37,726	69,871	38,320	34,305	42,308	42,308	42,308	48,844	24,878	12,000
Storm water Infrastructure		31,504	38,913	17,857	14,600	22,959	22,959	22,959	23,100	17,600	11,000
Electrical Infrastructure		327	5,725	1,252	7,772	4,111	4,111	4,111	3,741	3,876	1,000
Sanitation Infrastructure		327	5,725	1,252	7,772	4,111	4,111	4,111	3,741	3,876	1,000
Water Supply Infrastructure		327	5,725	1,252	7,772	4,111	4,111	4,111	3,741	3,876	1,000
Information and Communication Infrastructure		327	5,725	1,252	7,772	4,111	4,111	4,111	3,741	3,876	1,000
Community Facilities		44,638	20,464	25,372	30,070	30,070	30,070	30,070	37,311	22,376	12,000
Sport and Recreation Facilities		321	1,696	5,433	7,832	7,832	7,832	7,832	9,661	9,661	9,661
Heritage Assets		1,010	2,069	5,740	8,139	8,139	8,139	8,139	15,433	15,433	15,433
Non-revenue Generating		2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Investment properties		2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Operational Buildings		2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Housing		2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Other Assets		2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Biological or Cultivated Assets		4,255	13,094	12,956	1,194	2,600	2,600	2,600	1,100	1,000	2,000
Intangible Assets		4,255	13,094	12,956	1,194	2,600	2,600	2,600	1,100	1,000	2,000
Furniture and Office Equipment		629	13,174	3,194	4,708	4,708	4,708	4,708	2,109	2,000	2,000
Machinery and Equipment		629	13,174	3,194	4,708	4,708	4,708	4,708	2,109	2,000	2,000
Land		629	13,174	3,194	4,708	4,708	4,708	4,708	2,109	2,000	2,000
Zoo's, Marine and Non-biological Animals		629	13,174	3,194	4,708	4,708	4,708	4,708	2,109	2,000	2,000



<b>Total Upgrading of Existing Assets</b>	6	-	-	11,755	32,152	26,115	26,115	55,762	40,268	11,988
Roads Infrastructure	-	-	3,385	17,679	17,721	17,721	39,871	37,668	9,388	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	841	5,971	2,979	2,979	3,871	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	4,228	23,650	20,701	20,701	43,542	37,668	9,388	-
Community Facilities	-	-	142	150	50	50	100	100	100	-
Sport and Recreation Facilities	-	-	2,662	8,352	5,235	5,235	8,120	2,500	2,500	-
Community Assets	-	-	2,804	8,502	5,285	5,285	8,220	2,600	2,600	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	4,726	-	130	130	4,000	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	4,726	-	130	130	4,000	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	319,247	290,357	169,855	344,762	236,245	236,245	377,966	260,212	169,180
Roads Infrastructure	-	199,604	180,792	44,118	90,889	90,395	90,395	119,507	114,484	75,961
Storm water Infrastructure	-	-	-	1,354	4,250	4,250	4,250	4,500	3,878	-
Electrical Infrastructure	-	62,556	3,946	22,768	138,368	50,588	50,588	136,634	69,368	70,000
Water Supply Infrastructure	-	-	-	-	-	-	-	208	200	100
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	881	177	437	3,000	3,000	3,000	5,700	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	800	800	800	800	-	-	-
Infrastructure	-	256,941	184,915	68,675	237,087	148,833	148,833	266,641	187,927	146,061
Community Facilities	-	17,512	34,006	48,612	55,025	37,600	37,600	65,903	49,720	11,510
Sport and Recreation Facilities	-	11,326	23,074	15,160	14,288	12,170	12,170	18,792	12,300	4,300
Community Assets	-	28,837	67,080	63,772	69,314	49,770	49,770	85,695	62,020	15,810
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	7,016	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	6,095	200	-	-	-	-	-
Investment properties	-	-	7,015	6,095	200	-	-	-	-	-
Operational Buildings	-	11,745	50,565	28,565	22,194	24,345	24,345	8,103	-	3,000
Housing	-	-	81	-	2,000	1,500	1,500	1,000	2,000	-
Other Assets	-	11,745	50,646	28,665	24,194	25,845	25,845	9,100	2,000	3,000
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1,134	895	-	3,660	-	-	3,280	-	-
Intangible Assets	-	1,134	895	-	3,660	-	-	3,280	-	-
Computer Equipment	-	-	792	782	1,150	1,150	1,150	800	400	400
Furniture and Office Equipment	-	1,166	1,041	385	2,050	2,119	2,119	1,950	1,010	1,300
Machinery and Equipment	-	5,381	3,351	1,581	3,702	4,818	4,818	4,820	5,855	1,810
Transport Assets	-	14,022	4,623	-	3,405	3,710	3,710	5,800	1,000	1,000
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>319,247</b>	<b>290,357</b>	<b>169,855</b>	<b>344,762</b>	<b>236,245</b>	<b>236,245</b>	<b>377,966</b>	<b>260,212</b>	<b>169,180</b>

[illegible]

KZN202 KwaDukuza - Table A10 Basic service delivery measurement

Description	Ref	2016/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)		--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	2	--	--	--	--	--	--	--	--	--
Other water supply (at least min.service level)	4	--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min.service level)	4	--	--	--	--	--	--	--	--	--
No water supply		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	--	--	--	--	--	--	--	--	--
<b>Sanitation services:</b>										
Rush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Rush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	--
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	--	--	--	--	--	--	--	--	--
<b>Energy:</b>										
Electricity (at least min.service level)		11,930	10,197	10,429	10,638	10,638	10,638	--	--	--
Electricity - prepaid (min.service level)		25,916	16,859	16,626	16,959	16,959	16,959	--	--	--
<i>Minimum Service Level and Above sub-total</i>		37,846	27,056	27,055	27,596	27,596	27,596	--	--	--
Electricity (< min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min. service level)		--	16,069	--	17,889	17,889	17,889	--	--	--
Other energy sources		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	16,069	--	17,889	17,889	17,889	--	--	--
<b>Total number of households</b>	5	37,846	42,125	27,055	45,485	45,485	45,485	--	--	--
<b>Refuse:</b>										
Removed at least once a week		34,321	30,467	--	31,119	31,119	31,119	--	--	--
<i>Minimum Service Level and Above sub-total</i>		34,321	30,467	--	31,119	31,119	31,119	--	--	--
Removed less frequently than once a week		--	--	--	--	--	--	--	--	--
Using communal refuse dump		--	--	--	--	--	--	--	--	--
Using own refuse dump		--	--	--	--	--	--	--	--	--
Other rubbish disposal		--	--	--	--	--	--	--	--	--
No rubbish disposal		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
<b>Total number of households</b>	5	34,321	30,467	--	31,119	31,119	31,119	--	--	--
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)		--	--	--	--	--	--	--	--	--
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)		--	--	14,990	16,150	16,150	16,150	19,434	21,784	24,419
Refuse (removed once a week for indigent households)		--	--	14,607	15,465	13,665	13,665	15,308	17,158	19,233
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		25	28,362	--	35,248	35,248	35,248	16,851	16,851	16,851
<b>Total cost of FBS provided</b>		25	28,362	29,196	66,861	65,061	65,061	61,591	65,793	68,503
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)					130,000	130,000	130,000	130,000		
Water (6 kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)					3,269	3,269	3,269	3,466	3,743	4,042
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		72,168	--	84,081	90,807	90,807	90,807	103,167	109,150	115,481
Water (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (in excess of one removal a week for indigent households)		--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	72,168	--	84,081	94,076	94,076	94,076	166,532	172,893	175,823

## 2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

## **OVERVIEW OF THE ANNUAL BUDGET PROCESS**

### **BACKGROUND**

KDM is required to follow a strict budget process that enables significant participation by the community and all stakeholders. This budget process is governed by the MSA and the MFMA.

Numerous departmental meetings and workshops were held to ensure that the MTREF is more closely aligned to KDM's IDP and its SDBIP. Regular meetings were scheduled involving the BSC; the BTO and all business units.

The DRAFT MTREF will also be submitted to Provincial and National Treasury immediately after the approval by the council as required by MFMA.

- **Business Unit Consultation**

The Business Unit's have been advised to account for all operating costs necessary for the life of capital projects in compiling their Capital Budget, and, also, all incidental cost savings and increases in revenue.

Both the Operating and Capital Budgets have been evaluated through a prioritisation mechanism to assist in ensuring alignment to KDM's development strategies.

### **POLITICAL OVERSIGHT**

Section 53 of the MFMA requires the Mayor to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. To assist the prioritisation and spending plans of Council, the political component has a duty to oversee the budget process.

The municipal has a functional Budget Steering Committee in place. The BSC monitors financial planning and spending plans, and advises Council accordingly. The BSC also considers all budget-related policies before these are tabled to Council for approval.

### **BUDGET-RELATED POLICIES**

The following budget-related policies were taken into account in developing the MTREF:

1. Rates Policy
2. Credit Control & Debt Management Policy
3. Indigent Policy
4. Tariff Policy
5. Investment & Cash Management Policy
6. Borrowings Policy
7. Fixed Asset Management Policy
8. Funding & Reserves Policy
9. Budget Policy

10. Virements Policy
11. Long Term Financial Planning Policy
12. Policy on Infrastructure, Investments and Capital Projects
13. Supply Chain Management Policy

These have been tabled as a separate item for the consideration of Council.

#### **ALIGNMENT WITH NATIONAL & PROVINCIAL PRIORITIES**

The MTRRF is in line with National and Provincial objectives. The successful alignment of KDM's service delivery priorities, as captured in its IDP, with these objectives is critical in achieving its developmental goals. The MTRRF is also formulated in a manner that supports KDM's long-term sustainable growth and development.

The following priorities are National Government's framework to enhance the social, cultural and economic welfare of all South Africans:

- Protect the poor
- Build capacity for long-term growth
- Sustain employment growth
- Maintain sustainable debt level
- Address sector barriers to growth and investment

The following key policy areas are the focus of 2019/2020 Provincial Budget:

- Poverty alleviation
- Economic empowerment
- Skills development; training and preferred procurement
- Building a healthy and caring nation

#### **KEY DEADLINES**

The budget time schedule for compilation of the DRAFT MTRRF was approved in August 2018, in compliance with the MFMA's requirements.

The budget timetable is necessary to ensure integration between the IDP and the MTRRF. It also ensures a balanced budget is tabled to Council for consideration and approval.

#### **• Importance of producing a balanced and credible MTRRF**

A credible MTRRF is one that is highly achievable, as it is in line with all agreed service delivery and performance targets. It contains revenue and expenditure projections that are consistent with current and past performance. These projections are also supported by documented evidence of future assumptions. Only activities that are consistent with the revised IDP are funded. This ensures that the IDP remains realistically achievable given KDM's financial constraints. A credible MTRRF does not jeopardize financial viability, because it ensures that

the financial position is maintained within generally accepted prudential limits and that obligations can be met. It also provides the Executive Directors with appropriate levels of delegation sufficient to meet their financial management responsibilities.

It must also be stated that the implementation of mSCOA requires a direct link between the IDP and Budget and it is therefore vital that all stakeholders respect the various timeframes. The nature of the process results in subsequent delays should any one of the components be delayed.

In accordance with MFMA Circular 74, the following key deadlines, inter alia, must be observed:

- **Schedule of Key Deadlines**

Tabling of draft MTREF to Council	March 2019
Submission of the tabled draft MTREF to the NT and relevant PT in both print electronic format  (including Schedule A of the Municipal Budget & Reporting Regulations; Tables A1 to A10; Supporting Tables SA1 to SA37)	April 2019
Public Hearings & Consultations on the Draft MTREF	April 2019
Workshops on the Draft MTREF	April/May 2019
Considering for the Approval of the Final MTREF; IDP & SDBIP	May 2019
Approval of the Final MTREF; IDP & SDBIP	June 2019
Submission of Approved MTREF to NT / PT/ COGTA  (Council places the Approved MTREF on the website)	June 2019

These are the key deadlines, as originally approved by the Mayor, taking into account advice received from NT.

**2.2 OVERVIEW OF ALIGNMENT OF ANNUAL  
BUDGET WITH INTEGRATED DEVELOPMENT  
PLAN**



## OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The integrated development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to budgeting and planning.

An IDP will assist the municipality as follows:-

- It is a planning process that involves both the municipality and the public to achieve long term development.
- It assists in the co-ordination of the work of the local government and other spheres of government to improve the quality of life.
- It considers the existing conditions and problems and resources available for development.
- It considers the economic and social development needs of the municipal area.
- It sets a framework for land use, infrastructure, services and protection of the environment.

Below is a tabular representation of the IDP strategic objectives:-

KZN292 KwaDukuza - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
	Electricity	A		81,278	43,199	24,907	150,081	57,014	57,014	149,189	77,034	78,322
	Waste Management	B		162	201	586	4,342	3,490	3,490	10,030	700	650
	Community	C		2,045	4,597	1,325	12,310	3,352	3,352	5,604	6,020	3,810
BASIC SERVICE DELIVERY	Road Transport	D		182,575	192,501	66,970	114,905	114,829	114,829	142,493	144,994	71,228
	Cemeteries	E		13,115	23,939	28,389	15,013	6,497	6,497	25,648	4,900	4,500
	Housing	F		894	569	-	4,500	4,550	4,550	7,200	7,170	-
	Support Services/Fleet	G		688	278	-	860	1,176	1,176	1,050	1,000	1,000
MUNICIPAL FINANCIAL VIABILITY	Financial Management and Admin	H		3,542	9,026	35,488	22,600	24,730	24,730	7,850	4,800	3,850
	Human Resources & Corporate	I		-	-	-	-	-	-	-	-	-
	Executive & Council	J		18,982	10,979	-	-	-	-	-	-	-
INTEGRATED HUMAN SETTLEMENT	Land Management	K		-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT & JOB CREATION	Local Economic Development	L		8,364	-	-	1,580	1,661	1,661	710	575	600
	Integrated Planning	M		970	162	-	-	-	-	-	-	-
SPATIAL ANALYSIS	Public Safety	N		2,881	763	337	600	450	450	200	200	200
	Fire and Emergency	O		-	154	-	-	-	-	-	-	-
	Sports and Recreation	P		3,763	3,990	11,873	17,971	18,496	18,496	28,002	13,220	5,120
Allocations to other priorities			3									
Total Capital Expenditure			1	319,247	290,357	169,885	344,762	236,245	236,245	377,956	260,212	189,180

**2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

## **MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

A municipality's Performance Management System is a mechanism to monitor, review and improve the implementation of its IDP and monitor progress made in achieving set goals as stipulated in the IDP. Effective service delivery relies on the IDP, effective utilisation of scarce resources and the PMS system.

The IDP is developed in conjunction with the community and a realistic budget and is reviewed annually. The IDP will consider, inter alia:-

- Existing conditions, problems and resources available for development
- Economic and social development needs of the community
- It sets a framework for land use, infrastructure and services.

The Service Delivery and Budget Implementation Plan is the tool used to align the budget to the IDP. The focus of the SDBIP is both Financial and non-financial measurable performance objectives in the form of service delivery targets.

An organisation scorecard is developed after taking into consideration the aspects as indicated/highlighted in the IDP and SDBIP. This scorecard will be used to monitor the performance of the Municipality.

The following highlights should be noted in the 2019/2020 draft MTREF:-

### **REVENUE**

The following collection rates are anticipated for 2019/2020:-

- Electricity income ..... minimum collection rate of 90%
- Property rates income ..... minimum collection rate of 90%
- Refuse income ..... minimum collection rate of 90%

For further details kindly refer to Table SA 7

### **FREE BASIC SERVICES**

The municipality has a responsibility to ensure that indigent households are provided with the basic municipal services.

Indigent households receive 75 kwh of electricity each month, no charge to the consumer. Refuse for these low income areas are raised and credited from equitable share. Rates on properties below a certain value receive a 100% rebate.

## INDIGENT POLICY

The indigent policy provides, inter alia, procedures and guidelines for the subsidisation of basic services and tariff charges to the indigent households.

Indigent registration drives are conducted annually during the second half of the financial year. The onus to re-apply for continued indigent support rests on the household. The criterion for benefits under this scheme is part of the credit control policy.

An indigent customer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed to the extent that he/she no longer meets the qualifications. The indigent customer may at any time request de-registration.

## PROVIDING FOR THE INDIGENTS

The "Equitable Share" grant enables municipalities to provide basic services to indigent households in an affordable manner.

KDM has undertaken to ensure that indigent households are targeted effectively in the provision of basic municipal services. The Council of KDM has an indigent support database that is updated annually.

It has been further identified that various direct and indirect services are provided to households in "indigent designated areas". These households are provided certain benefits by virtue of residing in designated areas and as a result may not apply. The costs for these services have not been separately accounted for. The municipality has identified this challenge and embarked upon a process of accurately quantifying this benefit.

## **2.4 OVERVIEW OF BUDGET RELATED POLICIES**

## OVERVIEW OF BUDGET-RELATED POLICIES

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A. The budget process is guided and governed by relevant legislation and budget related policies. The following are key budget policies that are considered during the draft MTRF process. The policies have been considered by Council via a separate item included in the March Council Agenda. Notwithstanding this is a summary of the reviewed policies.

### 1. Rates Policy

The Rates Policy applies to all currently rated properties and also covers exemptions, rebates and reductions. This policy ensures that all new rates are tabled to Council for approval, before being implemented. The Rates Policy is in line with MPRA.

### 2. Credit Control & Debt Collection Policy

The Credit Control & Debt Collection Policy, adopted by Council, focuses on all outstanding debt and aims to promote a culture of good payment habits amongst debtors. Debtors have a responsibility towards the payment of their accounts. This policy implements an appropriate, innovative system of debt collection, which is also cost-effective. The aim of this policy is to ensure that debt is collected in the shortest possible time, without any interference in the process, thereby reducing all municipal debt.

The Credit Control & Debt Collection Policy ensures a sensitive, transparent and equitable approach to debt recovery. It prescribes methods to effectively and efficiently deal with those who default on payments, whilst taking indigent consumers into consideration and keeping costs to a minimum.

### 3. Indigent Policy

The objective of the Indigent Policy is to ensure the following:-

- The provision of basic services to indigent households in a manner that is sustainable, within the financial and administrative capacity of the Council.
- To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using Council's budgetary provisions, according to prescribed guidelines.

Indigent households, in terms of this policy, qualify for

- An electricity subsidy (based on a certain number of kWh)
- A 100% refuse subsidy

- A subsidy for service charges

All conditions stated in this policy must be met before a household may be registered as "Indigent". Households are required to formally apply for relief and must register each year for indigent support. The prescribed documentation is available from KDM Offices. Annually the municipality runs a publicised indigent registration campaign to register all indigent households.

#### **4. Tariff Policy**

In terms of Section 74 of the Local Government Municipal Systems Act 2000, a municipal Council must adopt and implement a Tariff Policy. The Tariff Policy is the policy for levying fees; rates or taxes for the municipal services provided by KDM. Tariff calculations are based on the nature of the service provided and treat all users of municipal services equally, by ensuring that consumers pay in proportion to the amount of services consumed.

This policy covers the Tariff Determination Process and also the Classification and Pricing Strategies of Services. It highlights the fact that all proposed tariffs are presented to the community of KwaDukuza during the Council's consultation process in respect of the MTREF. The aims of this policy are:

- To promote local economic development' growth and competitiveness
- To cater for the indigent households whilst keeping rates affordable
- To ensure financial sustainability of service delivery

This Policy complies with the MSA.

#### **5. Cash Management & Investment Policy**

In terms of Section 13 (2) of the MFMA, a municipality must adopt a policy dealing with cash management and investments. The Investment & Cash Management Policy ensures that all investments are made in an effective and efficient manner and generate the best return for the KDM. This policy ensures that all investments made take into account the preservation and safety of the principal and appropriate liquidity.

#### **6. Borrowings Policy**

The Borrowings Policy establishes a framework for incurring debt. It must be noted, however, that KDM does not raise any short-term debt. The guidelines provided in this policy ensure that KDM adheres to all statutory requirements regarding long-term debt. This policy aims to obtain funds at the lowest possible interest rates, and with minimum risk.

## 7. Supply Chain Management Policy

A municipality is required in terms of Section 111 of the MFMA to develop and implement a Supply Chain Management Policy. The comprehensive Supply Chain Management Policy governs, inter alia, the procurement of goods and services; disposal of goods and selecting contractors to aid the Municipality in service delivery.

## 8. Virements Policy

The Virements Policy is in place to ensure good budgeting practice, effective financial management and improved budgetary controls. This policy established a framework for managers to administer their budgets successfully and remain within limitations.

## 9. Budget Policy

The Budget Policy sets out the principles followed by KDM in drafting the MTRRF. This policy covers the responsibilities of the Mayor, the MM, the CFO and other senior managers in preparing the MTRRF. The operating and capital budget; budget funding; budget transfers; unavoidable expenditure and the budget preparation process are covered extensively.

## 10. Funding & Reserve's Policy

The Funding & Reserves Policy is aimed at ensuring that the KDM procures sufficient and cost-effective funding to achieve its capital expenditure objectives in an optimum manner. This policy must be adhered to in the procurement of funding, whilst considering the maturity profile of KwaDukuza's assets and liabilities.

This policy sets out the assumptions and methodology for estimating:

- Revenue;
- Revenue that will not be collected;
- Proceeds from the disposal of assets;
- Proceeds from borrowings; and
- Funds to be set aside in Reserves (excluding Reserves held in order to comply with GRAP Standards)

## 11. Asset Management Policy

The Fixed Asset Management Policy governs the acquisition, utilisation, control, maintenance and disposal of assets of KDM. This policy ensures that assets are managed in



an economical, effective and efficient manner throughout their life cycles, to achieve the maximum level of service.

## **12. Long Term Financial Planning**

A policy has been developed on the Long term financial planning of the Municipality to achieve KwaDukuza's 2030 vision.

Council reviews all budget-related policies annually. These policies are in compliance with all relevant legislation.

## **13. Infrastructure, Investments & Capital Projects Policy**

This policy deals with investments in Infrastructure and Capital Projects to address the backlogs in service delivery as well as to promote economic growth in KwaDukuza.

## 2.5 OVERVIEW OF BUDGET ASSUMPTIONS

## **OVERVIEW OF THE BUDGET ASSUMPTIONS**

In the compilation of the draft MTREF, the following influencing factors were taken into account:

- Normal inflationary increases and economic pressures, especially
  - Higher fuel prices.
  - Consumer Price Index inflations – impacting the general tariff increases levelled by the municipality.
  - Higher unemployment rate – resulting in an increase in indigent households within the KwaDukuza Jurisdiction.
  - Global Economic status – thus hindering the consumer's ability to timeously settle debt. A conservative approach is used for projecting revenue.
  - Electricity constraints.
  - The National Energy Regulator of South Africa (NERSA) approval of Eskom's application for a tariff hike. The Municipality is awaiting NERSA approval in terms of the electricity tariff increase, which has been considered as 7% in the 2019/20 financial year. The electricity tariff increase will be finalised upon NERSA approval.
  - Interest rates for borrowings and investment of funds.
  - Credit ratings outlook – lower investment grade status.
- Zero-based budgeting for 2018/2019
  - Zero-based budgeting is defined as a process where every Business Unit function is reviewed comprehensively and each expenditure must be approved, rather than increased.
  - It requires the budget request to be justified in complete detail by each business Unit rather than just increasing its expenditure from the previous year.
  - Each business Unit to justify the adjustment to salaries and related expenditure (leave, overtime, training, protective clothing etc.) based on departmental operations and workforce requirements.
  - Each business Unit to critically analyse fixed costs to determine any possible variances.
  - Each Business Unit to justify the movement in variable costs with reference to the improved service delivery.
  - Each Business Unit to consider the effects of variances in the operating budget (staff costs, fuel, security, etc.) as a result of increased capital expenditure.
  - The process of full analysis of underlying projects is currently underway and will be completed during the consultative process.
- Property rates randage increase of
  - 6% in 2019/2020 financial year.
- Effect of ring-fencing of the Electricity Services

In terms of Chapter 4, Section 16, of the MFMA, the operational and capital budgets for the 2019/2020 financial year, and the two subsequent years, attached hereto have been prepared according to the Municipal Budget and Reporting Regulations as gazetted in Government Gazette No. 32141 published on 17 April 2009.

Basis and Methodology for Forecasting Budget Projections

- Global Economic downturn
- Increasing fuel prices
- Significant decline in gold, platinum and coal minerals
- Currency fluctuations
- Household consumption of Electricity for the duration of the draft MTRRF
- GDP estimates for the duration of the draft MTRRF

Significant External Factors

- Overall, the Council proposed increase of 7% in the Electricity tariffs.
- The municipality has not implemented the inclining block tariff structure.
- Supply and distribution of electricity continues under the municipal licence over duration of the MTRRF.
- Refuse removal tariff increased as follows
  - 6% in 2018/2019
- Provision for an average of 8% increase for all staff remuneration costs.
- Partnership programmes with the National and Provincial Government.
- There have been no changes made to the present powers and functions of the KDM during the budget year.
- The average long-term cost of borrowings is 12%
- The municipality has been able to maintain its current high debt collection rates.

Free basic Services are funded by the equitable share and is recognised as Transfers and Grants. This is disclosed on Schedule SA 21. Only Cash transfers have been accounted for.

**Alignment with GRAP**

The adjusted MTREF is in line with the requirements of the GRAP standards.

## 2.6 OVERVIEW OF BUDGET FUNDING

## **OVERVIEW OF BUDGET FUNDING**

Section 18 (1) of the MFMA states that the annual budget may only be funded from the following:-

- Realistically anticipated revenue to be collected
- Cash backed accumulated funds from previous years surplus funds not committed for other purposes, and
- Borrowed funds, but only for the capital budgets

## **TOTAL EXPENDITURE**

KDM's overall expenditure during the DRAFT MTREF is estimated at:

Description	2019/2020	2020/2021	2021/2022
Total operating expenditure	R 1,823,104,645	R 1,945,631,640	R 2,059,754,822
Total capital expenditure	R 377,966,092	R 260,212,496	R 169,180,374
<b>Total</b>	<b>R 2,210,070,737</b>	<b>R 2,205,843,136</b>	<b>R 2,228,934,196</b>

## **FUNDING SOURCES**

The funding model of the Draft MTREF 2020/2021 is dependent on the following:

- The anticipated amount of revenue from Property Rates in the budget year is R 492 Million
- The anticipated amount of revenue from Service Charges in the budget year is R 933 Million. Service Charges consists of revenue streams from Electricity and Refuse Removal.

## **TARIFF OF CHARGES**

The Tariff of Charges is proposed to be implemented on 01 July 2019. This document provides for major services, and lists minor and miscellaneous tariffs – including the hiring of municipal facilities and town planning. An intensive and rigorous tariff setting process is undertaken to ensure the compilation of a credible and realistic budget.

• **EXTERNAL LOANS**

The long terms loans currently entered into are being used to fund capital expenditure. Council will fund capital projects to the value of R60 000 000 for capital expenditure in the 2019/2020 financial year.

The table below is indicative of KDM's long term liabilities:-

R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality											
Long term loans (non-annuity)			240,238	230,258	220,928	289,768	227,940	227,940	272,896	292,414	317,728
Local registered stock											
Instatment Credit											
Financial Leases											
PPP facilities											
Finance Granted By Cap Equipment Supplier											
Marketable Bonds											
Non-Marketable Bonds											
Bankers Acceptances											
Financial derivatives											
Other Securities											
Municipality sub-total	1		240,238	230,258	220,928	289,768	227,940	227,940	272,896	292,414	317,728
Entities											
Long term loans (non-annuity)											
Local registered stock											
Instatment Credit											
Financial Leases											
PPP facilities											
Finance Granted By Cap Equipment Supplier											
Marketable Bonds											
Non-Marketable Bonds											
Bankers Acceptances											
Financial derivatives											
Other Securities											
Entities sub-total	1		240,238	230,258	220,928	289,768	227,940	227,940	272,896	292,414	317,728
Total Borrowing	1		240,238	230,258	220,928	289,768	227,940	227,940	272,896	292,414	317,728



# • **INVESTMENTS**

KDM has funds held in bank deposits, including the depositing of grant funding into ring fenced call deposit accounts in order to improve management of grant funding.

The cash and investments of KDM currently amount to R 464,7 Million as at 28 February 2018. It should be noted that these funds are committed as conditional grants or operating funds. These funds also consist of monies set aside to settle long-term debt. If KDM does not meet its long-term debt requirements as and when they fall due, it will be liable for severe penalties.

Below table is indicative of the 2019/2020 investment forecast:-

KZN292 KwaDukuza - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		293,032	121,116	106,576	141,461	121,143	121,143	131,143	135,143	185,143
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks		344	345	297						
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	293,376	121,461	106,873	141,461	121,143	121,143	131,143	135,143	185,143
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		293,376	121,461	106,873	141,461	121,143	121,143	131,143	135,143	185,143

• **GOVERNMENT GRANT ALLOCATIONS**

**National Allocations:**

The amended DORA allocations that will be granted to KDM consist of:

CONDITIONAL	2019/2020	2020/2021	2021/2022
Specific Purpose			
Finance Management Grant	1,800,000	1,800,000	1,800,000
EPWP Incentive	1 729 000	-	-
Infrastructure			
1. MIG	49,771,692	52,484,463	56,388,465
2. NDPG (Capital)	NIL	NIL	-
3. Electricity Demand Side Mgt.	6,000,000	6,000,000	7,000,000
4. INEP	10,000,000	10,368,000	12,000,000
5. MIG Top slice	1,912,308	2,016,537	2,166,535
UNCONDITIONAL	2019/2020	2020/2021	2021/2022
1. Equitable Share	167,408,000	185,716,000	206,232,000

All of the above allocations, excluding Equitable Share, are **conditional grants**. This means that they have been allocated to KDM for a specific purpose and may not be used to fund any other expenditure.

Once all conditions are met, these allocations are transferred to the Statement of Financial Performance in order to match the expenditure incurred.

This is in compliance with the relevant GRAP standards. The transfers indicated on the Statement of Financial Performance are, therefore, accounting entries and do not actually represent cash on hand.

**Provincial Allocations:**

In terms of the Kwa-Zulu Natal Provincial Gazette, the following will be allocated to KDM:

<b>PROVINCIAL TRANSFERS</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
Provincialisation of Libraries	5,279,000	5,543,000	5,848,000
Museum Subsidies	3,202,000	5,214,000	2,225,000
Community Library Services Grant	633,000	678,000	726,000
Housing Accreditation	6,232,000	6,232,000	6,232,000

**2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

## EXPENDITURE ON ALLOCATIONS &amp; GRANTS

Grant funding and expenditure is covered in detail in Supporting Tables SA18, SA19 and SA20.

KZN292 KwaDukuza - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
<b>RECEIPTS:</b>	<b>1,2</b>									
<b>Operating Transfers and Grants</b>										
National Government:		115,557	119,655	135,358	153,749	153,091	153,091	172,849	189,533	210,199
Local Government Equitable Share		105,352	116,642	131,541	147,876	147,876	147,876	187,408	185,716	206,232
Municipal Systems Improvement		450	-	-	-	-	-	-	-	-
Finance Management		1,400	1,725	1,800	1,800	1,800	1,800	1,800	1,800	1,800
EPWP Incentive		1,418	1,288	1,585	1,540	1,540	1,540	1,729	-	-
MIG Funded PMU Costs		836	-	452	2,633	1,875	1,875	1,912	2,017	2,167
MIG Transfer To Iembe		6,100	-	-	-	-	-	-	-	-
Provincial Government:		7,671	7,628	7,850	12,918	11,360	11,360	13,146	17,497	15,031
Provincialisation of Libraries		2,894	2,929	3,045	5,028	5,028	5,028	5,278	5,543	5,848
Museum Subsidy		166	175	183	192	192	192	3,202	5,214	2,225
Community Library Service Grant		510	537	564	591	591	591	633	678	726
Municipal Assistance Programme		-	-	-	-	-	-	-	-	-
Housing Accreditation		4,101	3,997	4,058	6,049	5,499	5,499	4,032	6,062	6,232
Maintenance Grant-Sport Facilities		-	-	-	58	50	50	-	-	-
Spatial Development Framework Support		-	-	-	1,000	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
<b>Total Operating Transfers and Grants</b>	<b>5</b>	<b>123,228</b>	<b>127,263</b>	<b>143,208</b>	<b>166,667</b>	<b>164,451</b>	<b>164,451</b>	<b>185,995</b>	<b>207,930</b>	<b>225,229</b>
<b>Capital Transfers and Grants</b>										
National Government:		75,827	87,020	72,110	63,852	53,710	63,710	65,772	68,852	75,388
Municipal Infrastructure Grant (MIG)		50,047	61,330	62,110	48,132	48,790	48,790	49,772	52,484	56,398
Neighbourhood Development Partnership		7,000	15,690	-	-	-	-	-	-	-
Electricity Demand Side Management Grant		-	-	-	5,000	5,000	5,000	6,000	6,000	7,000
Integrated National Electrification Programme		18,000	10,000	10,000	9,920	9,920	9,920	10,000	10,368	12,000
Municipal Systems Improvement		480	-	-	-	-	-	-	-	-
Finance Management		300	-	-	-	-	-	-	-	-
Provincial Government:		1,285	-	-	-	5,550	5,550	7,200	6,170	-
Small Town Rehabilitation		-	-	-	-	5,000	5,000	-	-	-
Housing Accreditation		205	-	-	-	550	550	2,200	170	-
Beach Rehab Grant		1,000	-	-	-	-	-	-	-	-
Department of Trade & Industry		-	-	-	-	-	-	5,000	6,000	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	20,033	5,017	8,202	-	-	5,000	6,000	-
IFA GRANT- Sports Facility		-	-	-	2,202	-	-	-	-	-
Balloo Junction Road		-	10,033	5,017	6,000	-	-	-	-	-
Beach Node Development (IFA-IRNet)		-	10,000	-	-	-	-	-	-	-
KwaDukuza Mall Private Developer		-	-	-	-	-	-	5,000	6,000	-
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>77,632</b>	<b>107,053</b>	<b>77,127</b>	<b>71,253</b>	<b>69,260</b>	<b>69,260</b>	<b>77,972</b>	<b>81,022</b>	<b>75,388</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>200,260</b>	<b>234,317</b>	<b>220,335</b>	<b>237,921</b>	<b>233,711</b>	<b>233,711</b>	<b>263,967</b>	<b>288,952</b>	<b>300,616</b>

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KZN292 KwaDukuza - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-							
Current year receipts		115,557	119,855	135,358	153,749	153,091	153,091	172,849	189,533	210,199
Conditions met - transferred to revenue		115,557	119,855	135,358	153,749	153,091	153,091	172,849	189,533	210,199
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		17,149	18,898	18,223		18,618	18,618			
Current year receipts		7,671	7,628	7,850	12,918	11,360	11,360	13,146	17,497	15,031
Conditions met - transferred to revenue		5,922	8,302	7,455	12,918	28,978	29,978	13,146	17,497	15,031
Conditions still to be met - transferred to liabilities		18,896	18,223	18,618						
<b>District Municipality:</b>										
Balance unspent at beginning of the year		334	-							
Current year receipts		-	-							
Conditions met - transferred to revenue		334	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>121,812</b>	<b>127,957</b>	<b>142,813</b>	<b>166,667</b>	<b>183,068</b>	<b>183,068</b>	<b>185,995</b>	<b>207,030</b>	<b>225,229</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>18,886</b>	<b>18,223</b>	<b>18,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		4,028	-	8,091						
Current year receipts		79,827	87,020	72,110	63,052	63,710	63,710	65,772	68,852	75,388
Conditions met - transferred to revenue		79,855	78,929	84,277	63,052	63,710	63,710	65,772	68,852	75,388
Conditions still to be met - transferred to liabilities		-	8,091	15,925						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		7,005	1,022	191						
Current year receipts		1,205	-	-		5,550	5,550	7,200	6,170	-
Conditions met - transferred to revenue		7,188	831	191	-	5,550	5,550	7,200	6,170	-
Conditions still to be met - transferred to liabilities		1,022	191	-						
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		6,044	4,381	20,694	4,840	17,892	17,892	12,559	4,668	
Current year receipts		-	20,033	5,017	8,202	-	-	5,000	6,000	-
Conditions met - transferred to revenue		3,663	3,720	8,018	13,041	5,133	5,133	12,891	10,668	-
Conditions still to be met - transferred to liabilities		4,381	20,694	17,892		12,559	12,559	4,668		
<b>Total capital transfers and grants revenue</b>		<b>86,706</b>	<b>83,480</b>	<b>72,487</b>	<b>76,093</b>	<b>74,394</b>	<b>74,394</b>	<b>85,883</b>	<b>85,690</b>	<b>75,388</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>5,403</b>	<b>26,977</b>	<b>33,617</b>	<b>-</b>	<b>12,559</b>	<b>12,559</b>	<b>4,668</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>212,518</b>	<b>211,437</b>	<b>215,300</b>	<b>242,760</b>	<b>257,462</b>	<b>257,462</b>	<b>271,878</b>	<b>292,720</b>	<b>300,616</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>24,300</b>	<b>47,200</b>	<b>52,234</b>	<b>-</b>	<b>12,559</b>	<b>12,559</b>	<b>4,668</b>	<b>-</b>	<b>-</b>

**SPECIFIC GRANT FUNDED PROJECTS OVER THE MTRF**

The planned expenditure on capital projects over the approved MTRF is as follows:

BUSINESS UNIT	2019/2020	2020/2021	2021/2022
<b>CIVIL ENGINEERING &amp; HUMAN SETTLEMENTS</b>			
Human Settlements Projects	R 2,200,000	R 170 000	NIL
MIG Road & Community Facilities Project	R 49,772,000	R 52,484,000	R 56,388,000
<b>ELECTRICAL ENGINEERING</b>			
Integrated National Electrification	R 10,000,000	R 10,368,000	R 12,000,000
Electricity Demand Side Management	R 6,000,000	R 6, 000, 000	R 7, 000, 000
Department of Trade & Industry	R 5,000,000	R 6,000,000	



## **2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY**

R. (House)	Description	Ref	2016/16	2016/17	2017/18	Current Year 2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81	2081/82	2082/83	2083/84	2084/85	2085/86	2086/87	2087/88	2088/89	2089/90	2090/91	2091/92	2092/93	2093/94	2094/95	2095/96	2096/97	2097/98	2098/99	2099/00	2100/01	2101/02	2102/03	2103/04	2104/05	2105/06	2106/07	2107/08	2108/09	2109/10	2110/11	2111/12	2112/13	2113/14	2114/15	2115/16	2116/17	2117/18	2118/19	2119/20	2120/21	2121/22	2122/23	2123/24	2124/25	2125/26	2126/27	2127/28	2128/29	2129/30	2130/31	2131/32	2132/33	2133/34	2134/35	2135/36	2136/37	2137/38	2138/39	2139/40	2140/41	2141/42	2142/43	2143/44	2144/45	2145/46	2146/47	2147/48	2148/49	2149/50	2150/51	2151/52	2152																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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**2.9 COUNCILLOR ALLOWANCES AND EMPLOYEE  
BENEFITS**

# COUNCILLOR ALLOWANCES & EMPLOYEE BENEFITS

KZN292 KwaDukuza - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I	
Sub Total - Councillors	18,544	18,826	21,812	23,182	23,182	23,182	23,182	24,043	25,967	28,107	% Increase 12.1%
Other benefits and allowances	-	-	43	-	-	-	-	-	-	-	
Housing Allowances	-	-	84	-	-	-	-	-	-	-	
Carphone Allowance	1,105	1,294	2,304	2,446	2,446	2,446	2,446	2,465	2,662	2,984	
Motor Vehicle Allowance	4,283	4,326	4,687	5,162	5,162	5,162	5,162	5,366	5,797	6,499	
Medical Aid Contributions	148	46	-	-	-	-	-	-	-	-	
Pension and UIF Contributions	1,435	1,459	1,737	-	-	-	-	-	-	-	
Basic Salaries and Wages	11,586	11,701	12,957	15,575	15,575	15,575	15,575	16,210	17,502	19,624	
Senior Managers of the Municipality	2										
% Increase	4	1.5%	15.9%	5.3%	-	-	-	3.7%	8.0%	12.1%	
Sub Total - Senior Managers of the Municipality	18,544	18,826	21,812	23,182	23,182	23,182	23,182	24,043	25,967	28,107	
Other Municipal Staff	149,108	166,173	182,865	218,895	216,898	216,898	216,898	225,496	273,098	293,616	
Basic Salaries and Wages	29,409	31,425	37,117	42,292	41,640	41,640	41,640	52,607	55,559	58,887	
Pension and UIF Contributions	15,782	18,811	17,337	22,722	23,197	23,197	23,197	27,869	29,693	31,660	
Overtime	41,065	48,055	43,282	32,127	37,627	37,627	37,627	41,916	44,347	46,919	
Performance Bonus	-	-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	9,966	11,687	11,964	14,678	14,434	14,434	14,434	15,135	16,012	16,941	
Carphone Allowance	867	918	6,888	1,310	1,248	1,248	1,248	1,371	1,450	1,534	
Housing Allowances	753	774	805	686	1,021	1,021	1,021	1,020	1,030	1,142	
Other benefits and allowances	8,311	11,092	7,402	19,633	27,695	27,695	27,695	33,633	35,594	37,647	
Payments in lieu of leave	17,604	19,604	15,458	9,273	7,703	7,703	7,703	9,338	9,880	10,453	
Long service awards	-	-	-	-	-	-	-	-	-	-	
Post retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	
Sub Total - Other Municipal Staff	272,883	306,638	323,216	361,216	371,663	371,663	371,663	438,384	466,801	498,800	
% Increase	4	13.1%	4.7%	11.8%	2.8%	-	-	17.5%	6.5%	6.9%	
TOTAL SALARY, ALLOWANCES & BENEFITS	301,352	339,290	358,038	399,765	410,110	410,110	410,110	474,295	509,577	545,691	
% Increase	4	12.5%	5.5%	11.7%	2.6%	-	-	16.8%	6.5%	7.1%	
TOTAL MANAGERS AND STAFF	282,897	320,464	336,226	376,583	386,928	386,928	386,928	454,252	483,611	516,584	

## KZN292 KwaDukuza - Supporting Table SA23 Salaries, allowances &amp; benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		546,623		225,456			772,079
Chief Whip			512,459		214,068			726,527
Executive Mayor			683,280		271,008			954,288
Deputy Executive Mayor			546,623		225,456			772,079
Executive Committee			3,587,214		1,498,476			5,085,690
Total for all other councillors			10,333,892		5,398,722			15,732,614
<b>Total Councillors</b>	8	-	16,210,091	-	7,833,186			24,043,277
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1,575,158	285,757	113,160	156,381		2,130,457
Chief Finance Officer			1,121,792	296,059	489,624	147,163		2,054,638
								-
								-
								-
								-
<i>List of each official with packages &gt;= senior manager</i>								
ED: CORPORATE GOVERNANCE			1,100,164	212,091	199,920	76,936		1,591,111
ED: CORP SERVICE			1,393,939	2,150	110,520	119,195		1,625,803
ED: YOUTH			772,883	92,900	103,789	76,231		1,045,783
ED: E D PLANNING			1,194,562	256,422	14,520	111,515		1,576,720
ED: COMMUNITY SAFETY			1,368,019	2,150	145,282	114,002		1,629,451
ED: COMMUNITY SERVICES			1,104,425	201,001	194,520	118,662		1,618,609
ED: CIVIL ENGINEERING SERVICES			1,181,304	214,843	110,520	119,200		1,625,867
ED: ELECTRICAL ENGINEERING SERVICES			720,550	2,150	194,520	72,044		989,264
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	11,532,795	1,565,223	1,676,355	1,113,329		15,887,703
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	27,742,887	1,565,223	9,509,541	1,113,329		39,930,980

**2.10 MONTHLY TARGETS FOR REVENUE,  
EXPENDITURE AND CASH FLOW**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R (thousand)											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		286,900	357,545	403,722	387,712	406,162	406,162	406,162	442,554	467,576	494,939
Service charges		659,554	707,479	790,314	724,447	750,616	750,616	750,616	839,843	883,310	932,389
Other revenue		56,092	117,150	82,179	49,909	58,542	58,542	58,542	57,987	60,233	162,851
Government - operating	1	121,813	128,086	143,208	166,667	164,451	164,451	164,451	185,985	207,000	225,229
Government - capital	1	87,043	83,894	77,127	76,093	69,260	69,260	69,260	72,972	75,022	75,388
Interest		30,410	37,092	36,308	27,685	34,478	34,478	34,478	37,056	39,163	41,761
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,001,407)	(1,158,157)	(1,191,869)	(1,319,915)	(1,355,190)	(1,355,190)	(1,355,190)	(1,555,902)	(1,621,454)	(1,828,213)
Finance charges		(24,880)	(24,515)	(23,103)	(23,786)	(23,786)	(23,786)	(23,786)	(28,713)	(28,207)	(28,207)
Transfers and Grants	1	-	-	-	(300)	(19,810)	(19,816)	(19,816)	(10,445)	(8,044)	(8,816)
NET CASH FROM/(USED) OPERATING ACTIVITIES		185,525	249,573	317,887	88,511	84,711	84,711	84,711	41,348	74,828	67,352
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		100	900	141	-	-	-	-	4,500	5,650	(280)
Decrease (increase) in non-current debtors		-	-	(38,047)	102,500	112,500	112,500	112,500	112,500	125,000	106,000
Decrease (increase) other non-current receivables		-	-	-	54	54	54	54	54	(364)	163
Decrease (increase) in non-current investments		(83,410)	171,916	14,588	-	(14,270)	(14,270)	(14,270)	(10,000)	(4,000)	(50,000)
Payments											
Capital assets		(312,378)	(300,611)	(162,806)	(344,762)	(236,245)	(236,245)	(236,245)	(377,966)	(260,212)	(169,180)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(405,688)	(127,795)	(176,125)	(242,261)	(137,961)	(137,961)	(137,961)	(270,912)	(133,928)	(113,297)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term financing		28,671	-	-	77,186	15,000	15,000	15,000	60,000	40,000	50,000
Increase (decrease) in consumer deposits		4,007	1,226	625	2,500	2,500	2,500	2,500	2,500	1,500	1,500
Payments											
Repayment of borrowing		-	(14,735)	(8,889)	(14,336)	(8,971)	(8,971)	(8,971)	(14,210)	(19,564)	(23,675)
NET CASH FROM/(USED) FINANCING ACTIVITIES		32,678	(13,509)	(8,064)	65,350	8,529	8,529	8,529	48,290	21,936	27,825
NET INCREASE/(DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	348,424	162,941	279,209	280,813	403,908	403,908	403,908	359,187	177,913	140,551
Cash/cash equivalents at the year end:	2	162,941	279,209	403,908	191,665	359,187	359,187	359,187	177,913	140,551	122,431

[illegible]



**2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND  
BUDGET IMPLEMENTATION PLANS – INTERNAL  
BUSINESS UNITS**

2.11.1. DETAILED OPERATING BUDGET

2.11.2. DETAILED CAPITAL BUDGET

2.11.3. TARIFF OF CHARGES

2.11.4. BUSINESS UNIT CAPITAL SDBIPs

# DRAFT CAPITAL BUDGET

OFFICE OF THE MUNICIPAL MANAGER - CAPITAL BUDGET										
PROJECT DESCRIPTION		FUNDING	ITEM DESCRIPTION		2018/19		2019/20	2020/21	2021/22	
					APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET	
Capital:Non-infrastructure:New:Transport Assets: Sedan - Public Participation	Transfer from operational to capital revenue	Sedan - Public Participation	\$		180,000	225,319	-	-	-	
	Transfer from operational to capital revenue	Double cab 4 x 2	\$		400,000	428,984	-	-	-	

## CORPORATE SERVICES - CAPITAL BUDGET

CORPORATE SERVICES - CAPITAL BUDGET													
PROJECT DESCRIPTION	FUNDING	ITEM DESCRIPTION	2018/19										
			APPROVED BUDGET		ADJUSTED BUDGET		DRAFT BUDGET		INDICATIVE BUDGET		INDICATIVE BUDGET		
Capital: Non-Infrastructure: New: Furniture and Office Equipment: Office Furniture & Equipment	Transfer from operational to capital revenue	NV Corporate Comm Office Furn Equipment 025400013	\$	800,000		800,000		1,000,000		400,000		400,000	
Capital: Non-Infrastructure: New: Other Assets: Operational Buildings: Municipal Offices: Municipal Offices	Unspecified Loan Funding	New Office Building	m	15,000,000		15,000,000		-		-		-	
Capital: Non-Infrastructure: Existing: Renewal: Other Assets: Operational Buildings: Municipal Offices: Refurbishment of Civic Building 025422718	Transfer from operational to capital revenue	Refurbishment of Civic Building 025422718	\$	600,000		2,600,000		-		-		-	
				16,400,000		18,400,000		1,000,000		400,000		400,000	
Capital: Non-Infrastructure: New: Machinery & Equipment: Elec Staff Attendance Register 021419516	Transfer from operational to capital revenue	Elec Staff Attendance Register 021419516	\$	500,000		500,000		-		-		-	
Capital: Non-Infrastructure: New: Computer Equipment: PC and Printer Upgrades	Transfer from operational to capital revenue	NV Info Tech PC Printers Upgrades 210414504	\$	850,000		850,000		400,000		400,000		400,000	
Capital: Non-Infrastructure: New: Computer Equipment: Network Upgrade	Transfer from operational to capital revenue	Network Upgrade	\$	300,000		300,000		-		-		-	
Capital: Infrastructure: New: Information and Communication Infrastructure: Data Centres: Disaster Recovery Site	Transfer from operational to capital revenue	Disaster Recovery Site	\$	600,000		600,000		-		-		-	
Capital: Non-Infrastructure: New: Computer Equipment: Implementation of Governance	Transfer from operational to capital revenue	Implementation of IT Governance	\$	-		-		400,000		400,000		400,000	
				1,750,000		1,750,000		800,000		400,000		400,000	
		TOTAL BUDGET		18,650,000		20,650,000		1,800,000		800,000		800,000	

FINANCE - CAPITAL BUDGET										
DESCRIPTION	FUNDING	ITEM DESCRIPTION	2018/19		2019/20	2020/21	2021/22			
			APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET			
Non-Infrastructure: Existing: Upgrading: Other Operational Buildings: Municipal Offices: Repairs to Office Buildings	Transfer from operational to capital revenue	Town Treasurer Renov to Office Buildings 215422605	-	130,000	4,000,000	-	-			
	Transfer from operational to capital revenue	Town Treasurer Equipment 215422017		-	50,000	50,000	50,000			
		TOTAL BUDGET	-	130,000	4,050,000	50,000	50,000			

### PROJECT DESCRIPTION

## FUNDING

## ITEM DESCRIPTION

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COMMUNITY SERVICES & PUBLIC CAPITAL BUDGET									
PROJECT DESCRIPTION		FUNDING	ITEM DESCRIPTION		2018/19		2019/20	2020/21	2021/22
			APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET		
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Fencing	Transfer from operational to capital revenue		\$ 600,000	600,000	300,000	400,000		300,000	
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Security Gates	Transfer from operational to capital revenue		\$ 150,000	150,000	150,000	100,000		100,000	
Capital: Non-Infrastructure: New: Furniture and Equipment: Halls: Furniture	Transfer from operational to capital revenue		\$ 200,000	189,599	200,000	200,000		200,000	
Capital: Non-Infrastructure: New: Furniture and Office Equipment: Aircon for Halls	Transfer from operational to capital revenue		\$ 400,000	400,000	-			400,000	
Capital: Non-Infrastructure: Existing: Renewal: Community Assets: Community Facilities: Halls: Refurbishment of KwaDukuza Town Hall	Transfer from operational to capital revenue		\$	1,200,000	1,200,000				
Capital: Non-Infrastructure: Existing: Renewal: Community Assets: Community Facilities: Halls: Refurbishment of Ethembeni Community Hall	Transfer from operational to capital revenue		\$	500,000	500,000				
Capital: Non-Infrastructure: New: Machinery and Equipment: Tools & Equipment	Transfer from operational to capital revenue		\$ 20,000	20,000	10,000	10,000		10,000	
			\$ 1,370,000	1,358,599	2,360,000	710,000		1,010,000	
Capital: Non-Infrastructure: New: Furniture and Office Equipment: Furniture & Equipment	Transfer from operational to capital revenue		\$ 350,000	350,000	400,000	250,000		250,000	
Capital: Non-Infrastructure: New: Machinery and Equipment: Tools & Equipment	Transfer from operational to capital revenue		\$ 15,000	-	70,000	60,000		50,000	
Capital: Non-Infrastructure: Existing: Renewal: Community Assets: Community Facilities: Public Ablution Facilities: Library Ablution Facilities	Transfer from operational to capital revenue		\$		150,000				
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Libraries: Library Dropbox	Transfer from operational to capital revenue		\$ 365,000	350,000	200,000	310,000		300,000	
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Public Open Space: Benches	Transfer from operational to capital revenue		\$ 20,000	19,800	20,000	20,000		20,000	
Capital: Non-Infrastructure: Existing: Renewal: Community Assets: Community Facilities: Public Ablution Facilities: OK Building Public Ablution Rehab.	Transfer from operational to capital revenue		\$ 800,000	860,000	-				
Capital: Non-Infrastructure: Existing: Renewal: Community Assets: Community Facilities: Public Ablution Facilities: ShakaKraal Public Ablution Rehab.	Transfer from operational to capital revenue		\$ 709,795	753,705	-				
Capital: Non-Infrastructure: Existing: Renewal: Community Assets: Community Facilities: Public Ablution Facilities: Umhlali Public Ablution Rehab.	Transfer from operational to capital revenue		\$ 96,295	96,295	1,200,000				
Capital: Non-Infrastructure: Existing: Upgrading: Community Assets: Community Facilities: Public Open Space: Parks Equipment	Transfer from operational to capital revenue		\$ 150,000	50,000	100,000	100,000		100,000	
Capital: Non-Infrastructure: Existing: Upgrading: Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Blythdale Beach CP Upgrade	Transfer from operational to capital revenue		\$ 1,200,000	1,200,000	1,500,000				
Capital: Non-Infrastructure: New: Machinery and Equipment: Street Litter Bins	Transfer from operational to capital revenue		\$ 30,000	28,480	50,000	50,000		50,000	
Capital: Infrastructure: New: Water Supply Infrastructure: Boreholes for Town Gardens & High Schools	Transfer from operational to capital revenue		\$	-	200,000	200,000		100,000	
Capital: Non-Infrastructure: New: Machinery and Equipment: Park Plant & Equipment	Transfer from operational to capital revenue		\$ 30,000	30,000	400,000	390,000		350,000	
Capital: Non-Infrastructure: New: Transport Assets: Cherry Picker Truck	Transfer from operational to capital revenue		\$	-	1,000,000				
			\$ 3,030,000	3,038,280	4,470,000	720,000		620,000	
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cemeteries/Crematoria: Kibongo Cemetery Stormwater Management	Transfer from operational to capital revenue		\$ 400,000	108,813	-				
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cemeteries/Crematoria: Cremator Filtration System	Transfer from operational to capital revenue		\$ 6,336,000	-	7,000,000				
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cemeteries/Crematoria: Fencing of Ethembeni Cemetery	Transfer from operational to capital revenue		\$ 500,000	500,000	1,200,000				

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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PROJECT DESCRIPTION	FUNDING	ITEM DESCRIPTION	2020/21				2021/22			
			APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Thembani Cemetery Stormwater Management	500,000	500,000	-	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV Cemetery Fencing of old KDM Cemetery 056new	130,000	57,870	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Crematorium Development 056440938	650,000	396,700	1,300,000	1,500,000	1,500,000	1,500,000	1,500,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV Cemetery Vlakpruit Cemetery 056440050	10,747,700	2,500,000	8,247,700	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV Cemetery Vlakpruit Cemetery 056440051	3,250,000	3,250,000	-	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Cemetery Land Acquisition	22,513,700	7,313,383	25,647,700	4,500,000	4,500,000	4,500,000	4,500,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Slips 255428151	250,000	250,000	500,000	250,000	250,000	250,000	250,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Recycling Bins	200,000	189,790	400,000	200,000	200,000	200,000	200,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV refuse service 1 x Weight Bridge 255	842,000	-	1,000,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Street Litter Bins 25542240	50,000	49,840	50,000	50,000	50,000	50,000	50,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Waste Transfer Station 225428152	3,000,000	3,000,000	5,000,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Road Cleaning & Sweeping Truck	-	-	2,200,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Dry Waste Composting Station	-	-	700,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Wheeler Bins	4,342,000	3,489,540	10,030,000	700,000	200,000	200,000	200,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Construction of Chief Albert Luthuli Sports Complex	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Nonond Beach Node Development 075452156	1,000,000	1,800,000	1,000,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Upgrade Beach Abandon Zinkwazi	350,000	350,000	-	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Upgrade Beach Abandon Zinkwazi	1,450,000	-	1,450,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV W4 Shalehead Swim Pool 075451546	1,180,000	1,622,000	-	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV Upgrade to Beach Facilities 075452743	1,100,000	1,100,000	-	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV Upgrade to Beach Facilities 075422748	1,500,000	2,283,180	2,600,000	2,500,000	2,500,000	2,500,000	2,500,000	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Upgrade to Theunissem Road Park Phase 1 075452107	1,800,000	538,745	5,063,905	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	Upgrade of Thompson Bay	1,500,000	500,000	1,000,000	-	-	-	-	
Non-Infrastructure: New Community Assets: Cemetery: Crematoria: Crematorium: Cemetery: Stormwater Management	Transfer from operational to capital revenue	NV Upgrade to Tidal pool and Septic Tank at Tholey Manor Beach	3,051,501	151,501	3,000,206	-	-	-	-	







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PROJECT DESCRIPTION	FUNDING	ITEM DESCRIPTION	2018/19					2019/20		2020/21		2021/22	
			APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET						
Non-Infrastructure: New: Other Assets: Operational Buildings: Municipal Offices: Office Space / Park Home	Transfer from operational to capital revenue	NV HousingMasakhane New Off SpacesPark Home 026new	m	2,500,000	2,500,000	1,000,000							
Non-Infrastructure: New: Other Assets: Operational Buildings: Municipal Offices: Office Space / Park Home	Provincial Government: Housing Accreditation	NV HousingMasakhane New Off SpacesPark Home 026new	m	-	500,000	2,000,000							
Non-Infrastructure: New: Furniture and Office Equipment: Office Furniture & Equipment	Provincial Government: Housing Accreditation	Office Furn & Equipment	s	-	50,000	80,000	50,000						
Non-Infrastructure: New: Furniture and Office Equipment: Aircon	Provincial Government: Housing Accreditation	Airconditioner	s	-	-	60,000	60,000						
Non-Infrastructure: New: Machinery and Equipment: Tools & Equipment	Transfer from operational to capital revenue	Tools & Equipment	s	-	-	60,000	60,000						
Non-Infrastructure: Existing: Renewal: Other Assets: Housing: Social Housing: Conversion to Compounds (Ward 28)	Transfer from operational to capital revenue	NV HousingMasakhane Renov to Compounds 026A4505	m	2,000,000	1,500,000	1,000,000	2,000,000						
Non-Infrastructure: New: Roads Infrastructure: Road Structures: Retaining of Walls and Access and Stormwater	Transfer from operational to capital revenue	Retaining of Wall, Road Access & Stormwater	m	4,500,000	4,550,000	3,000,000	5,000,000						
Non-Infrastructure: New: Machinery and Equipment: Engineering Equipment	Transfer from operational to capital revenue	Engineering Equipment	s	334,923	334,923	800,000	150,000						
Non-Infrastructure: New: Other Assets: Operational Buildings: Municipal	Transfer from operational to capital revenue	NV Civic Building Lavoplane Building Ext 160NEW	m	3,615,077	3,615,077	-	-						
Non-Infrastructure: New: Transport Assets: Crew Cabs	Transfer from operational to capital revenue	Crew Cabs	s	-	-	1,200,000	-						
Non-Infrastructure: New: Machinery and Equipment: Cold Mix P&S	Transfer from operational to capital revenue	Cold Mix Plant & Equipment	s	-	-	-	2,000,000						
Non-Infrastructure: New: Machinery and Equipment: Jet Machine & Water Tanker	Transfer from operational to capital revenue	Jet Machine & Water Tanker	s	3,950,000	3,950,000	2,000,000	1,800,000						
Infrastructure: New: Roads Infrastructure: Roads: Ground/Mile Internal roads	National Government:Municipal Infrastructure Grant	Grootvlei Internal roads MIG	m	2,621,236	5,530,582	-	-						
Infrastructure: New: Roads Infrastructure: Roads: Grootvlei Internal roads	Transfer from operational to capital revenue	Grootvlei Internal roads CBR	m	3,055,588	-	-	6,000,000						
Non-Infrastructure: New: Community Assets: Community Facilities: Taxi Rank/Bus Terminals: Mahall Taxi Rank (Ward 22)	Transfer from operational to capital revenue	Mahall Taxi Rank 170461941	m	500,000	-	-	-						
Non-Infrastructure: New: Community Assets: Community Facilities: Taxi Rank/Bus Terminals: Mahall Taxi Rank (Ward 22)	National Government:Municipal Infrastructure Grant	Mahall Taxi Rank 170461941	m	-	-	500,000	2,000,000						
Non-Infrastructure: New: Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Chris Hani Sport field	National Government:Municipal Infrastructure Grant	Chris Hani Sport field	m	2,000,000	2,000,000	2,000,000	-						
Non-Infrastructure: Existing: Renewal: Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Upgrade of Glenhill Sportsfield	National Government:Municipal Infrastructure Grant	Glenhill Sports Field	m	-	-	871,692	-						
Non-Infrastructure: New: Community Assets:Community Facilities:Hall: Federal Community Hall 170461939	Transfer from operational to capital revenue	Middlebeni Community Hall 170461939	m	2,000,000	2,000,000	-	-						
Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Edeni Community Hall	Transfer from operational to capital revenue	NV Roads Stormwater Middlebeni Community Hall 170461939	m	1,289,549	1,289,549	-	-						
Non-Infrastructure: New: Community Assets: Sport and Recreation Facilities: Indoor Facilities: Rocky Park Recreation Ward 19	National Government:Municipal Infrastructure Grant	NV Rocky Park Sportfield 17041509	s	500,000	-	-	-						
Non-Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehabilitation of Mferife and Nengwe street	Transfer from operational to capital revenue	Rehabilitation of Mferife and Nengwe street	m	2,000,000	2,000,000	-	-						
Non-Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehabilitation of Mferife and Nengwe street	Transfer from operational to capital revenue	Rehabilitation of Mferife and Nengwe street	m	-	-	2,000,000	-						

PROJECT DESCRIPTION	CAPITAL BUDGET	FUNDING	ITEM DESCRIPTION	2018/19		2019/20		2020/21		2021/22	
				APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Durville Community Hall (Ward 28)		Transfer from operational to capital revenue	NV Roads Stormwater Groundwater Community Hall 170461937	m	4,200,000	4,200,000					
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Driefontein Community Halls		Transfer from operational to capital revenue	NV Roads Stormwater Driefontein Community Halls 170new	m	970,564	934,011					
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Gladhow Community Halls		Transfer from operational to capital revenue	Gladhow Community Halls	m	-	-			5,000,000		
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: Nsikeni Community Hall		National Government/Municipal Infrastructure Grant	Nsikeni Community Hall	m	-	-	500,000		4,000,000		
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Halls: National Government/Municipal Infrastructure Grant		National Government/Municipal Infrastructure Grant	Charlottesville Community Hall	m	-	-	500,000		4,000,000		
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cr77ches: Lindelani Creche (Ward 5)		Transfer from operational to capital revenue	NV Roads Stormwater Lindelani Creche 170461933	m	477,991	-					
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cr77ches: Lindelani Creche (Ward 5)		National Government/Municipal Infrastructure Grant	NV Roads Stormwater Undelani Creche 170461933	m	-	-	2,700,000				
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cr77ches: San Sudi Creche		National Government/Municipal Infrastructure Grant	San Sudi Creche	m	-	-	2,700,000				
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cr77ches: Melville Creche		Transfer from operational to capital revenue	NV Roads Stormwater Khafukwe Creche 170461934	m	1,560,894	759,828					
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cr77ches: Melville Creche		Transfer from operational to capital revenue	Melville Creche	m	-	-	-		2,700,000		
Capital: Non-Infrastructure: New: Community Assets: Community Facilities: Cr77ches: Melville Creche		Transfer from operational to capital revenue	NV Roads Stormwater Commuter Shelters 170452118	m	500,000	-	4,500,000				
Capital: Infrastructure: New: Roads Infrastructure: Roads: Estate Internal Roads (Ward 17)		National Government/Municipal Infrastructure Grant	Roads Stormwater Estate Internal Roads 170461919	m	5,010,514	9,910,514					
Capital: Infrastructure: New: Roads Infrastructure: Roads: Estate Internal Roads (Ward 17)		Transfer from operational to capital revenue	NV Roads Stormwater Estate Internal Roads 170461919	m	70,428	-					
Capital: Infrastructure: New: Roads Infrastructure: Roads: Chief Albert Luthuli Farm Roads (Ward 24)		Transfer from operational to capital revenue	NV Roads Stormwater Chief Albert Luthuli Farm Roads 170new	m	6,861,636	2,595,599					
Capital: Infrastructure: New: Roads Infrastructure: Road Structures: Traffic calming measures		Transfer from operational to capital revenue	NV Roads Stormwater Traffic Calming Measures 170461528	m	500,000	500,000	800,000				
Capital: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehabilitation Roads		Transfer from operational to capital revenue	NV Roads Stormwater Rehab of Roads 170461529	m	9,500,000	8,825,141					
Capital: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Manor Drive Road Upgrading (Ward 17)		Transfer from operational to capital revenue	NV Roads Stormwater Manor Drive Grey R Imp 170	m	2,500,000	3,000,000					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Hlanathi Road Upgrading (Ward 24)		Transfer from operational to capital revenue	NV Roads Stormwater Hlanathi Roads Upgrade 170	m	3,179,179	5,179,179					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Balitso Business Park Road Upgrade (Ward 6)		Unspecified: IFA Public Contribution	Balitso Business Park Road Upgrade	m	7,000,000	1,500,000	4,871,080		4,867,762		
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrading of Roads and Stormwater In Dube Village		National Government/Municipal Infrastructure Grant	Upgrading of Roads and Stormwater In Dube Village	m	2,000,000	2,000,000	5,000,000		5,000,000		
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Waterworks Road Upgrade to Blacktop		National Government/Municipal Infrastructure Grant	Waterworks Road Upgrade to Blacktop	m	500,000	450,047	8,500,000		4,000,000		
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Maphithiza Road Upgrade		National Government/Municipal Infrastructure Grant	Maphithiza Road Upgrade	m	3,000,000	6,388,019					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Maphithiza Road Upgrade		Transfer from operational to capital revenue	Maphithiza Road Upgrade	m	4,592,181	2,304,162					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Maphithiza Road Upgrade		National Government/Municipal Infrastructure Grant	Maphithiza Road Upgrade	m	1,000,000	1,000,000					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Shayanoya Road Upgrade to Blacktop		Transfer from operational to capital revenue	Shayanoya Road Upgrade to Blacktop	m	1,000,000	1,000,000					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Gravel Road Upgrade to Blacktop		Transfer from operational to capital revenue	Gravel Road Upgrade to Blacktop	m	1,000,000	1,000,000					
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Gravel Road Upgrade to Blacktop		National Government/Municipal Infrastructure Grant	Gravel Road Upgrade to Blacktop	m	-	-	2,000,000		9,000,000		

CAPITAL BUDGET				2018/19		2019/20		2020/21		2021/22	
PROJECT DESCRIPTION			FUNDING	ITEM DESCRIPTION		APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET	
Rehabilitation of Blaine Street	Transfer from operational to capital revenue	Rehabilitation of Blaine Street	m	1,800,000	2,800,000	-					
Rehabilitation of Townview Road	Transfer from operational to capital revenue	Rehabilitation of Townview Road	m	1,800,000	2,800,000						
Rehab. Of Main Road Shalea Rock	Transfer from operational to capital revenue	Rehab. Of Main Road Shalea Rock	m	1,000,000	1,500,000	3,000,000					
Nkubongo Storm Water Improvement	Transfer from operational to capital revenue	Nkubongo Storm Water Improvement	m	1,400,000	1,400,000	1,500,000					
Rehabilitation of Gieshow roads	Transfer from operational to capital revenue	Rehabilitation of Gieshow roads	m	2,000,000	2,000,000						
Rehabilitation of Gieshow roads	National Government/Municipal Infrastructure Grant	Rehabilitation of Gieshow roads	m	-	-	2,000,000					
Transfer from operational to capital revenue		Apple Wooden Bridge	s	250,000	250,000						
Transfer from operational to capital revenue		Mnyundwini Wooden Bridge	s	250,000	250,000						
Transfer from operational to capital revenue		Malande Wooden Bridge	s	250,000	250,000						
Transfer from operational to capital revenue		Khalakwe Wooden Bridge	s	250,000	250,000						
Transfer from operational to capital revenue		Etebe Wooden Bridge	s	250,000	250,000						
Transfer from operational to capital revenue		Nthawini Wooden Bridge	s	250,000	250,000						
Transfer from operational to capital revenue		Kosini Wooden Bridge	s	-	-	250,000					
Transfer from operational to capital revenue		Miskare Wooden Bridge	s	-	-	250,000					
Transfer from operational to capital revenue		Emabweleni Wooden Bridge	s	-	-	250,000					
Transfer from operational to capital revenue		Construction of Nyemphamand Access Road	m	1,800,000	1,800,000	3,500,000					
Transfer from operational to capital revenue		Stanger Heights - Hill View Link	m	500,000	500,000	1,500,000					
Transfer from operational to capital revenue		R 302 - Townview link road	m	1,200,000	1,200,000	3,000,000					
Transfer from operational to capital revenue		Intersection at Lloyd	m	2,500,000	2,500,000						
Transfer from operational to capital revenue		Metville Hall	m	500,000	500,000	4,500,000					
Transfer from operational to capital revenue		Ward 4 Internal Roads Mile	m	5,000,000	2,500,000	5,000,000					
Transfer from operational to capital revenue		Grootville Surface Roads & Stormwater Mile	m	5,000,000	5,449,009						
Transfer from operational to capital revenue		Grootville Surface Roads & Stormwater - CBR	m	1,389,290	239,784						
Transfer from operational to capital revenue		Nyathikazi Bridge	m	2,500,000	2,500,000	2,500,000					
Transfer from operational to capital revenue		Gizenga Street	m	4,000,000	868,444						
Transfer from operational to capital revenue		NV Gizenga Street: 170m view.	m	500,000	3,631,756						

CAPITAL BUDGET		FUNDING		ITEM DESCRIPTION		2018/19		2019/20	2020/21	2021/22
PROJECT DESCRIPTION		FUNDING		ITEM DESCRIPTION		APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
Local: Infrastructure: New: Roads Infrastructure: Roads: Side walk project	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Side walk project		m	2,000,000	2,000,000	3,000,000		
Local: Infrastructure: New: Roads Infrastructure: Roads: Ward 2 Internal roads	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Ward 2 Internal roads		m	3,000,000	3,000,000	1,500,000	2,000,000	
Local: Infrastructure: New: Roads Infrastructure: Roads: P553 link to ward 13	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	P553 link to ward 13		m	500,000	500,000		4,500,000	5,000,000
Local: Infrastructure: New: Roads Infrastructure: Roads: Khlatukwe Internal roads	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Khlatukwe Internal roads M/G		m	3,000,000	3,000,000			6,000,000
Local: Infrastructure: New: Roads Infrastructure: Roads: Khlatukwe Internal roads	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Khlatukwe Internal Roads		m	-	-	10,000,000		
Local: Infrastructure: Existing: Renewal: Storm water Infrastructure: Storm water conveyance: Storm water Infrastructure Improvements (Ward 8 15)	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	NV Roads Stormwater SW Infra Improve 170461893		m	1,600,000	1,600,000	3,000,000	3,875,950	
Local: Infrastructure: New: Roads Infrastructure: Roads: Storm water Conveyance: Zone Roads and Stormwater	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Zone 5 - Roads and Stormwater		m	1,250,000	1,250,000			
Local: Infrastructure: New: Roads Infrastructure: Roads: Ward 13 Internal Roads	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Ward 13 Internal Roads		\$	-	-	2,000,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehab of Murugan Road	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehab of Murugan Road		\$	-	-	1,000,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehab. Of First Avenue Road	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehab of First Avenue Road		\$	-	-	1,000,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehab. Of Hyson Smithers Street & Intersection	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehab of Hyson / Smithers Street & Intersection		\$	-	-	1,000,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehab. Of Acaela, Ibrahim and Berthwell Road	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehab of Acaela, Ibrahim & Berthwell Road		\$	-	-	2,500,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehab. Of Russell Street	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehab of Russell Street		\$	-	-	3,000,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehabilitation of Parking Area In King Shaka Street	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehabilitation of Parking Area In King Shaka Street		m	-	-	1,000,000	1,000,000	
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rehabilitation of Parking Area In Huletta Street	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rehabilitation of Parking Area In Huletta Street		m	-	-	1,000,000	1,000,000	
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Peterson road rehab	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Peterson Road Rehab		m	-	-	1,500,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Rocky Park link to Testing Station	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Rocky Park link to Testing Station		m	-	-	2,600,000	3,000,000	
Local: Infrastructure: New: Roads Infrastructure: Roads: Midlebeni Access Roads & Stormwater	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Midlebeni Access Roads & Stormwater		m	-	-	5,000,000	7,000,000	
Local: Infrastructure: New: Roads Infrastructure: Roads: Gladhow South Link	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Gladhow South Link		m	-	-	4,000,000		
Local: Infrastructure: Existing: Renewal: Roads Infrastructure: Roads: Bauhinia Road Rehab.	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Bauhinia Road Rehab.		m	-	-	4,000,000	3,000,000	
Local: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrade of Daffodil Street	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Upgrade of Daffodil Street		m	-	-	3,000,000	3,000,000	
Local: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrade of Goodwill Rise	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Upgrade of Goodwill Rise		m	-	-	5,000,000	5,000,000	
Local: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads: Upgrade of Solly Street	Transfer from operational to capital revenue	National Government/Municipal Infrastructure Grant	Upgrade of Solly Street		m	-	-	5,000,000	5,000,000	





CAPITAL BUDGET									
PROJECT DESCRIPTION	FUNDING	ITEM DESCRIPTION	2018/19		2019/20	2020/21	2021/22		
			APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET		
Capital: Non-Infrastructure: New: Machinery and Equipment: Tools & Equipment	Transfer from operational to capital revenue	NV Mechanical Workshop Tools Equipment 360400027	10,000	160,000	50,000				
Capital: Non-Infrastructure: New: Transport Assets: Fleet	Transfer from operational to capital revenue	NV Municipal Fleet	850,000	1,015,364	1,000,000	1,000,000	1,000,000		
			850,000	1,176,364	1,050,000	1,000,000	1,000,000		
Capital: Non-Infrastructure: New: Intangible Assets: Computer Software & Applications: Network Master Planning (Reticulation)	Transfer from operational to capital revenue	Network Master Planning (Reticulation)	500,000	-	-				
Capital: Non-Infrastructure: New: Intangible Assets: Computer Software & Applications: Implementation of Scada System at 33kV Substations	Transfer from operational to capital revenue	NV Electricity Admin. Scada System 33kv 400	400,000	-	500,000				
Capital: Non-Infrastructure: New: Electrical Infrastructure: HV Substations: w Dukuza 132/33/11kV 80Mva Bulk	Transfer from operational to capital revenue	New Dukuza 132/33/11kV 80Mva Bulk	675,818	1,265,818	-				
Capital: Non-Infrastructure: New: Electrical Infrastructure: HV Substations: w Dukuza 132/33/11kV 80Mva Bulk (Ward 28)	Development Bank of South Africa: Specific	Electricity Admin. New Dukuza 80MVA Bulk 400452153	60,000,000	-	60,000,000	40,000,000	50,000,000		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: Wards: Electrification Project	National Government: Demand Side Management Grant	Electricity Admin. Housing Electrification Projects	2,500,000	5,000,000	6,000,000	6,000,000	7,000,000		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	National Government: Integrated National Electrification Programme Grant	Electricity Admin. KwaDukuza Infills 201718 400	1,920,000	5,420,000	-	-	-		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	National Government: Integrated National Electrification Programme Grant	Electricity Admin. Housing Electrification Projects	2,500,000	4,500,000	10,000,000	10,368,000	12,000,000		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	National Government: Integrated National Electrification Programme Grant	Electricity Admin. Estate Phase 4 400	2,000,000	-					
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	National Government: Integrated National Electrification Programme Grant	Electricity Admin. Driefontein Phase 1400	2,500,000	-					
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	Transfer from operational to capital revenue	Electricity Admin. W13212527 400423933	4,802,089	4,802,089	-	-	-		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	Transfer from operational to capital revenue	KwaDukuza Infills 2017/18	6,146,323	13,525,823	-	-	-		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	Transfer from operational to capital revenue	Steve Biko Phase 2	1,379,500	-	-	-	-		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	Transfer from operational to capital revenue	Driefontein Phase 1	930,000	-	-	-	-		
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	Transfer from operational to capital revenue	Estate Phase 4	570,000	-	-	-	-		
Capital: Non-Infrastructure: New: Electrical Infrastructure: MV Networks: w Dukuza Mail Bulk Supply	Unspecified: Local Private Developer	KwaDukuza Mail Bulk Supplies- LPD funding	-	-	5,000,000	6,000,000			
Capital: Non-Infrastructure: New: Electrical Infrastructure: MV Networks: w Dukuza Mail Bulk Supply	National Government: DOT Grant	KwaDukuza Mail Bulk Supplies- DTM funding	-	-	5,000,000	6,000,000			
Capital: Non-Infrastructure: New: Electrical Infrastructure: LV Networks: w Dukuza Infills 2017/18	Transfer from operational to capital revenue	Grouville Priority 2 238 Units	945,634	945,634	-	-	-		
Capital: Non-Infrastructure: New: Machinery and Equipment: Tools & Equipment	Transfer from operational to capital revenue	NV Electricity Admin. Tools Equip 400400027	50,000	1,450,000	50,000	100,000	100,000		
Capital: Non-Infrastructure: New: Machinery and Equipment: Safety Equipment Pas Ppe Portable	Transfer from operational to capital revenue	NV Electricity Admin. Safety Equip Pas PPE Port 400461472	80,000	80,000	-	-	-		
			87,899,364	36,989,364	86,550,000	68,465,000	69,000,000		
Capital: Infrastructure: New: Roads Infrastructure: Road Furniture: Streetlights (Cluster A) 100S/L (Ward 1 & 2 & 3)	Transfer from operational to capital revenue	NV Street Lights Cluster A 100 SL 400452122	1,294,337	500,000	1,641,337	1,399,054	1,494,959		

CAPITAL BUDGET							
PROJECT DESCRIPTION	FUNDING	ITEM DESCRIPTION	BUDGET				
			2019/20		2020/21		2021/22
			APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
Capital Infrastructure: New: Roads Infrastructure: Road Furniture: (b): Infrastructure: New: Roads Infrastructure:							

CAPITAL BUDGET		FUNDING		ITEM DESCRIPTION		2018/19		2019/20	2020/21	2021/22
PROJECT DESCRIPTION		RUNDING		ITEM DESCRIPTION		APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Grootville Hangoes Phase 3		Transfer from operational to capital revenue		Grootville Hangoes Phase 3	m	260,000	410,983			
Itai Infrastructure: Existing: Renewal: Electrical Infrastructure: MV Networks: Repl & Grad Prot Relays 11KV P3 430452146		Transfer from operational to capital revenue		NV Replace Grid Prot Relays 11KV P3 430452146	m	500,000	-	1,000,000	1,000,000	1,000,000
Itai Infrastructure: Existing: Upgrading: Electrical Infrastructure: MV Networks: Princess Grant Main 4 way Ring Main unit		Transfer from operational to capital revenue		Princess Grant Main 4 way Ring Main unit	m	250,000	409,334	350,000		
Itai Infrastructure: Existing: Upgrading: Electrical Infrastructure: MV Networks: Blythdale Main 4 way Ring Main unit		Transfer from operational to capital revenue		Blythdale Main 4 way Ring Main unit	m	250,000	398,628	350,000		
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Grade 11KV Cable Form Hydrangea to Blikies Switchroom (Ward 16)		Transfer from operational to capital revenue		NV Rural North Upgrade 11KV Cable from Hyd to Bll 430452147	m	800,000	800,000			
Itai Infrastructure: Existing: Renewal: Electrical Infrastructure: MV Networks: Lot 14 Switch room Replace 11KV Switchgear (G) (Retrofit)		Transfer from operational to capital revenue		Lot 14 Switch room Replace 11KV Switchgear (G) (Retrofit)	m	1,400,000	1,400,000			
Itai Infrastructure: New: Electrical Infrastructure: MV Substations: No.1 Transformer Switch Gear 33 KV		Transfer from operational to capital revenue		No.1 Transformer Switch Gear 33 KV	m	260,000	-	500,000		
Itai Infrastructure: New: Electrical Infrastructure: MV Substations: Oceanview 500 KVA Mini Sub		Transfer from operational to capital revenue		Oceanview 500 KVA Mini Sub	m	260,000	-			
Itai Infrastructure: New: Electrical Infrastructure: MV Substations: High Street Oceanview 500 KVA Mini Sub		Transfer from operational to capital revenue		High Street Oceanview 500 KVA Mini Sub	m	260,000	600,000			
Itai Infrastructure: Existing: Renewal: Other Assets: Operational Buildings: Yards: Upgrade of Substation Yard		Transfer from operational to capital revenue		NV Rural North Upgrade of Substation Yard 430423037	s	394,000	-			
						7,940,450	7,485,229	4,279,196	1,000,000	1,000,000
Itai Infrastructure: New: Electrical Infrastructure: HV Substations: Gizega Substation (Ward 29)		Transfer from operational to capital revenue		Gizega Substation 440423981	m	29,367,489	1,367,489	40,000,000		
Itai Infrastructure: Existing: Renewal: Electrical Infrastructure: HV Transmission Conductors: Replace 33KV Cable between Lavopiere and Industrial Sub Phase 2		Transfer from operational to capital revenue		Replace 33KV Cable between Lavopiere and Industrial Sub Phase	s	2,500,000	-			
Itai Infrastructure: Existing: Renewal: Electrical Infrastructure: HV Transmission Conductors: Replace 33KV Cable between Lavopiere and Industrial Sub Phase 2		Transfer from operational to capital revenue		Replace 33KV Cable between Lavopiere and Industrial Sub Phase	s	-	1,250,000	1,250,000		
Itai Infrastructure: Existing: Renewal: Electrical Infrastructure: HV Transmission Conductors: Replace 33KV Cable between Lavopiere and Industrial Sub		Transfer from operational to capital revenue		NV Replace 33KVA Point of Supply to Lavo. Sub 440452151	m	2,921,573	1,460,787	1,460,787		
						34,789,062	4,078,276	42,710,787	-	-
Itai Infrastructure: Existing: Upgrading: Electrical Infrastructure: LV Networks: Shikashad Network Upgrade (Ward 4)		Transfer from operational to capital revenue		Shikashad Network Upgrade 490452131	m	3,799,996	1,500,000	2,299,996		
Itai Infrastructure: New: Electrical Infrastructure: LV Networks: Sandra Road Phase 5 (Ward 21)		Transfer from operational to capital revenue		NV Rural South Sandra Road Phase 5 490452130	m	792,882	-	-		
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Compensation Phase 7		Transfer from operational to capital revenue		Compensation Phase 7	m	280,000	383,188	336,000		
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Compensation Phase 8		Transfer from operational to capital revenue		Compensation Phase 8	m	280,000	407,954	336,000		
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Wiltons Feeder Underground Cable		Transfer from operational to capital revenue		Wiltons Feeder Underground Cable	m	600,000	600,000	336,000		
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Tinley Manor 11KV OHL Phase 6		Transfer from operational to capital revenue		Tinley Manor 11KV OHL Phase 6	m	280,000	280,000	-		
Itai Infrastructure: New: Electrical Infrastructure: MV Networks: Glendale Alexa Farm Phase 3		Transfer from operational to capital revenue		Glendale Alexa Farm Phase 3	m	280,000	394,372	336,000		



# SUMMARY CAPITAL BUDGET 2018 / 2019

BUSINESS UNIT	APPROVED BUDGET	ADJUSTED BUDGET	GRANTS	PUBLIC CONTRIBUTIONS	COUNCIL FUNDING	LOAN FUNDING
OFFICE OF THE MUNICIPAL MANAGER	580,000	654,303	-	-	654,303	-
CORPORATE SERVICES	18,650,000	20,650,000	-	-	5,650,000	15,000,000
FINANCE	-	130,000	-	-	130,000	-
CDP	1,000,000	1,006,694	-	-	1,006,694	-
COMMUNITY SERVICES & PUBLIC AMENITIES	48,235,952	30,605,008	8,250,000	3,633,287	18,721,721	-
COMMUNITY SAFETY	8,566,000	9,642,615	-	-	7,790,865	1,851,750
CIVIL ENGINEERING & HUMAN SETTLEMENTS	116,388,851	114,838,854	46,090,395	1,500,000	67,248,459	-
ELECTRICAL ENGINEERING	150,940,941	58,190,392	14,920,000	-	43,270,392	-
YOUTH DEVELOPMENT	400,000	527,013	-	-	527,013	-
TOTAL	344,761,744	236,244,879	69,260,395	5,133,287	144,999,447	16,851,750

NEP 9,920,000  
 DME 5,000,000  
 MIG 48,790,395  
 ZN COGTA 5,000,000  
 HOUSING ACCREDITATION 550,000  
**69,260,395**

CAPITAL BUDGET		FUNDING		ITEM DESCRIPTION		2018/19		2019/20	2020/21	2021/22
OBJECT DESCRIPTION						APPROVED BUDGET	ADJUSTED BUDGET	DRAFT BUDGET	INDICATIVE BUDGET	INDICATIVE BUDGET
Capital: Non-Infrastructure: New: Transport Assets: Sedans	Transfer from operational to capital revenue			Sedans	5	180,000	225,319	-	-	-
Capital: Non-Infrastructure: New: Transport Assets: LDV with Canopy	Transfer from operational to capital revenue			LDV with Canopy	5	220,000	301,694	-	-	-
				TOTAL BUDGET		400,000	527,013	-	-	-

# SUMMARY CAPITAL BUDGET 2019 / 2020

BUSINESS UNIT	APPROVED BUDGET	GRANTS	PUBLIC CONTRIBUTIONS	COUNCIL FUNDING	LOAN FUNDING
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-
CORPORATE SERVICES	1,800,000	-	-	1,800,000	-
FINANCE	4,050,000	-	-	4,050,000	-
EDP	710,000	-	-	710,000	-
COMMUNITY SERVICES & PUBLIC AMENITIES	68,283,176	-	3,020,206	65,262,970	-
COMMUNITY SAFETY	5,800,000	-	-	5,800,000	-
CIVIL ENGINEERING & HUMAN SETTLEMENTS	147,092,772	51,971,692	4,871,080	90,250,000	-
ELECTRICAL ENGINEERING	150,230,144	21,000,000	5,000,000	64,230,144	60,000,000
YOUTH DEVELOPMENT	-	-	-	-	-
TOTAL	377,966,092	72,971,692	12,891,286	232,103,114	60,000,000

NEP	10,000,000
OME	6,000,000
MIG	49,771,692
DTI	5,000,000
ZN COGTA	-
HOUSING ACCREDITATION	2,200,000
	<u>72,971,692</u>

# SUMMARY CAPITAL BUDGET 2020 / 2021

BUSINESS UNIT	APPROVED BUDGET	GRANTS	PUBLIC CONTRIBUTIONS	COUNCIL FUNDING	LOAN FUNDING
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-
CORPORATE SERVICES	800,000	-	-	800,000	-
FINANCE	50,000	-	-	50,000	-
WATER	575,000	-	-	575,000	-
COMMUNITY SERVICES & PUBLIC AMENITIES	24,240,000	-	-	24,240,000	-
COMMUNITY SAFETY	4,150,000	-	-	4,150,000	-
CIVIL ENGINEERING & HUMAN SETTLEMENTS	152,363,712	52,654,463	4,667,762	95,041,487	-
ELECTRICAL ENGINEERING	78,033,783	22,368,000	6,000,000	9,665,783	40,000,000
ROAD DEVELOPMENT	-	-	-	-	-
TOTAL	260,212,496	75,022,463	10,667,762	134,522,270	40,000,000

EP 10,368,000  
 ME 6,000,000  
 IG 52,484,463  
 TI 6,000,000  
 IN COGTA -  
 HOUSING ACCREDITATION 170,000

**75,022,463**



# SUMMARY CAPITAL BUDGET 2021 / 2022

BUSINESS UNIT	APPROVED BUDGET	GRANTS	PUBLIC CONTRIBUTIONS	COUNCIL FUNDING	LOAN FUNDING
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-
CORPORATE SERVICES	800,000	-	-	800,000	-
FINANCE	50,000	-	-	50,000	-
DDP	500,000	-	-	500,000	-
COMMUNITY SERVICES & PUBLIC AMENITIES	13,880,000	-	-	13,880,000	-
COMMUNITY SAFETY	950,000	-	-	950,000	-
CIVIL ENGINEERING & HUMAN SETTLEMENTS	73,678,014	56,388,465	-	17,289,549	-
ELECTRICAL ENGINEERING	79,322,360	19,000,000	-	10,322,360	50,000,000
YOUTH DEVELOPMENT	-	-	-	-	-
<b>TOTAL</b>	<b>169,180,374</b>	<b>75,388,465</b>	<b>-</b>	<b>43,791,909</b>	<b>50,000,000</b>

NEP	12,000,000
OME	7,000,000
MIG	56,388,465
ZN COGTA	-
HOUSING ACCREDITATION	-
	<u>75,388,465</u>

# DRAFT OPERATIONAL BUDGET